Alberta

Freedom To Create. Spirit To Achieve.

Advanced Education and Technology 2008-09 Annual Report

Government of Alberta

For more information, contact:

Advanced Education and Technology
Communications
7th Floor, Phipps-McKinnon Building
10020 - 101A Avenue
Edmonton, Alberta T5J 3G2

phone 780-422-5400
fax 780-422-1263

To be connected toll-free, call 310-0000

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Advanced Education and Technology

2008-09 Annual Report

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Public Accounts 2008-09 – Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 30, 2009 contains Ministers' accountability statements, the consolidated financial statements of the Province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Advanced Education and Technology contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- the financial statements of entities making up the Ministry including the Department of Advanced Education and Technology, regulated funds and provincial agencies for which the Minister is responsible, and
- other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2009 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 9, 2009 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

original signed by

Doug Horner
Minister of Advanced Education and Technology

Message from the Minister

I am pleased to present the 2008-09 Annual Report for the Ministry of Advanced Education and Technology. In this report, you will read about the Ministry's significant achievements during the fiscal year.

In 2008-09, the Ministry, together with its stakeholders, partners, and agencies, made great strides to create accessible, affordable, high-quality learning opportunities for Albertans and support innovation and technology commercialization in Alberta by:

- Developing the *Roles and Mandates Framework for Alberta's Provincially Funded Research and Innovation System* to align the Alberta research and innovation system in support of a diversified and sustainable knowledge-based economy.
- Releasing the *Alberta Access Planning Framework* to promote collaboration among post-secondary institutions and provide key system data for year-to-year planning.
- Creating 2,447 new certificate, diploma and degree spaces at post-secondary institutions and over 900 additional apprenticeship technical training seats to meet the high demand in areas such as health and skilled trades.
- Releasing Alberta's Action Plan: *Bringing Technology to Market* to make Alberta a preferred destination to turn ideas into products and services by building a community of researchers, mentors, investors and entrepreneurs.
- Establishing the Alberta Enterprise Corporation with $100 million in funding to further attract and strengthen venture capital in Alberta by making investments as a limited partner in venture capital funds focused on priority knowledge-based industry sectors.
- Awarding $70 million in scholarships, the most ever, recognizing the achievement of excellence that occurs throughout the learning process.
- Continuing to build on Affordability Framework initiatives by reducing barriers to participation in advanced learning opportunities.

Even in the face of current global economic conditions, Advanced Education and Technology has made great progress enhancing the accessibility and affordability of Alberta's advanced learning system and maintaining our support for innovation and technology commercialization in the province.

Alberta's economy is showing some early signs of recovery, as is the global economy. Even with this positive news, the province still faces some economic challenges as we move forward. By working together with stakeholders, the Ministry continues to enhance Alberta's advanced learning system, foster innovation and economic diversification and promote Alberta as a great place to invest. I am confident our dedication to excellence will continue to strengthen Alberta's progress towards a knowledge-based society as we build a future with the freedom to create and the spirit to achieve.

original signed by

Doug Horner
Minister of Advanced Education and Technology

Management's Responsibility for Reporting

The Ministry of Advanced Education and Technology includes:

- the Department of Advanced Education and Technology,
- the Alberta Enterprise Corporation,
- the Access to the Future Fund,
- the Public Post-Secondary Institutions,
- the Alberta Research Council Inc., and
- the Informatics Circle of Research Excellence (iCORE) Inc.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Advanced Education and Technology. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and with the sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – Performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise, and the Minister of Advanced Education and Technology any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

original signed by

Annette Trimbee
Deputy Minister of Advanced Education and Technology
September 9, 2009

Overview

Overview

Introduction

Operational Overview

Summary of Key Activities

Introduction

Advanced Education and Technology's vision and mission define the Ministry. The Ministry's vision is its view of the future and the mission describes the Ministry's purpose and reason for existence.

The Ministry's goals are broad statements describing the desired outcomes that the Ministry wants to achieve in fulfilling its mission.

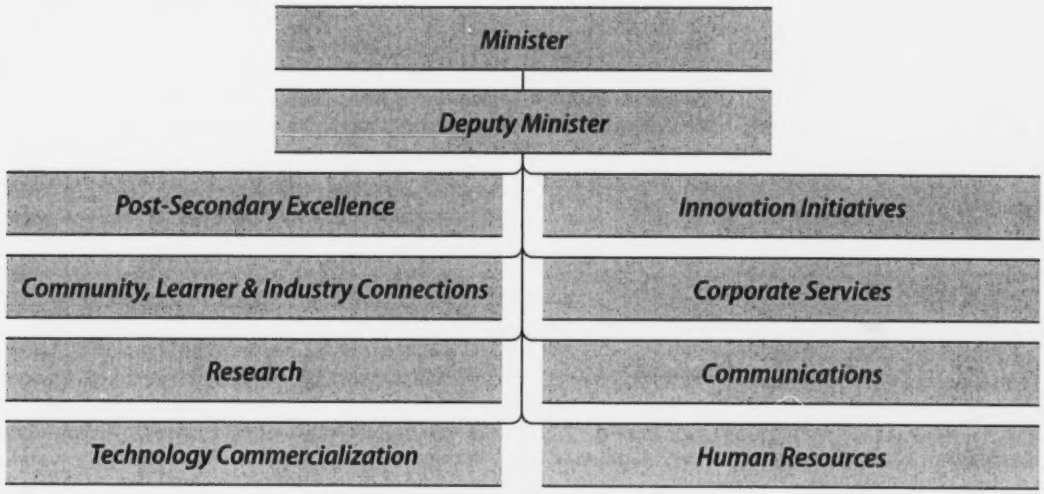
The vision, mission and goals below guided the work of the Ministry in the 2008-09 fiscal year.

Vision	*Alberta prospers through innovation and lifelong learning.*	
Mission	*Provide strategic leadership for the development of the next generation economy in Alberta through the provision of accessible, affordable and quality learning opportunities for all Albertans and support for a dynamic and integrated innovation system.*	
Goals	*Core Business 1*	*Provide Strategic Leadership for Alberta's Advanced Learning and Research System*
	Goal 1	*Alberta's advanced learning and research capacity aligns with learner and labour-market demand and serves the needs of a knowledge-intensive society*
	Core Business 2	*Foster a Culture of Learning that Develops Highly Skilled and Qualified People*
	Goal 2	*Albertans are able to participate fully in lifelong learning*
	Goal 3	*Alberta has an affordable advanced learning system*
	Core Business 3	*Support Research and its Application and Commercialization to Grow a More Diverse Alberta Economy*
	Goal 4	*Alberta's research capacity supports enhanced excellence in research and innovation in strategic areas*
	Goal 5	*Value is captured from research and innovation*

Operational Overview

In collaboration with learning providers, industry, communities, government agencies and non-governmental organizations, the Ministry of Advanced Education and Technology strives to fulfill its mandate to create accessible, affordable and quality learning opportunities that respond to the ongoing learning needs of Albertans. The Ministry collaborates with key innovation support agencies to foster support for commercialization and innovation activities across the province.

Department of Advanced Education and Technology



Each division provides specific expertise to the advanced learning and innovation system. All divisions share responsibility for providing integrated service by partnering with one another, and with other Alberta ministries, post-secondary institutions, adult learning providers, stakeholder organizations and industry.

Department of Advanced Education and Technology

Program Divisions

Post-Secondary Excellence

The Post-Secondary Excellence Division works with public and private post-secondary institutions to support adult learners, provide learning opportunities and enhance the advanced learning system. Specifically, the division funds advanced learning providers, coordinates and approves programs of study at public institutions, licenses and approves programs offered by private providers, and rewards learner excellence through the provision of scholarships. The division also coordinates post-secondary policy and intergovernmental activities, department-wide environmental scanning and raising awareness and consultation activities, as well as coordinates and supports activities of the Access Advisory Council, the Alberta Council on Admissions and Transfer, the Campus Alberta Quality Council and the Campus Alberta Strategic Directions Committee.

Community, Learner and Industry Connections

The Community, Learner and Industry Connections Division works with community adult learning organizations, public and private post-secondary institutions, industry, and employer and employee organizations to support community learning. As well, the division funds learners, supports the activities of the Students Finance Board and supports the development, maintenance and delivery of programs under the *Apprenticeship and Industry Training Act*. Specifically, the division supports and provides community adult learning opportunities; provides student financial assistance to eligible Albertans; provides planning, coordination and policy support to the Alberta Apprenticeship and Industry Training Board and its network of industry committees; facilitates industry's development of training and certification standards; and certifies individuals in designated trades and occupations.

Research

The Research Division coordinates, supports and promotes research, development and innovation in the strategic priority sectors of energy, life sciences (e.g. agriculture, forestry, health and water), information and communications technology, and nanotechnology (through nanoAlberta). The division works with many partners to enhance research capacity, support discoveries and technologies in the priority areas, and provide support to the Alberta Science and Research Authority.

Technology Commercialization

The Technology Commercialization Division supports the creation and establishment of new technology companies in key emerging industries by focusing on four areas of activity: technology development services, business development services, access to capital, and international partnerships and investment attraction. The division also provides the Department with information management and technology services.

Support Functions

Innovation Initiatives

Innovation Initiatives leads and manages the development and implementation of the roles and mandates framework for Alberta's provincially funded research and innovation organizations. This unit coordinates the legislative, policy and operational elements required to support the successful transformation of Alberta's provincially funded research and innovation system which began in 2008.

Corporate Services

Corporate Services provides strategic advice and services to the Ministry in the areas of corporate planning and reporting; financial planning, reporting and operations; and legislation and regulation. The goal of Corporate Services is to ensure the effectiveness and efficiency of financial management, accountability and administration functions within the Ministry.

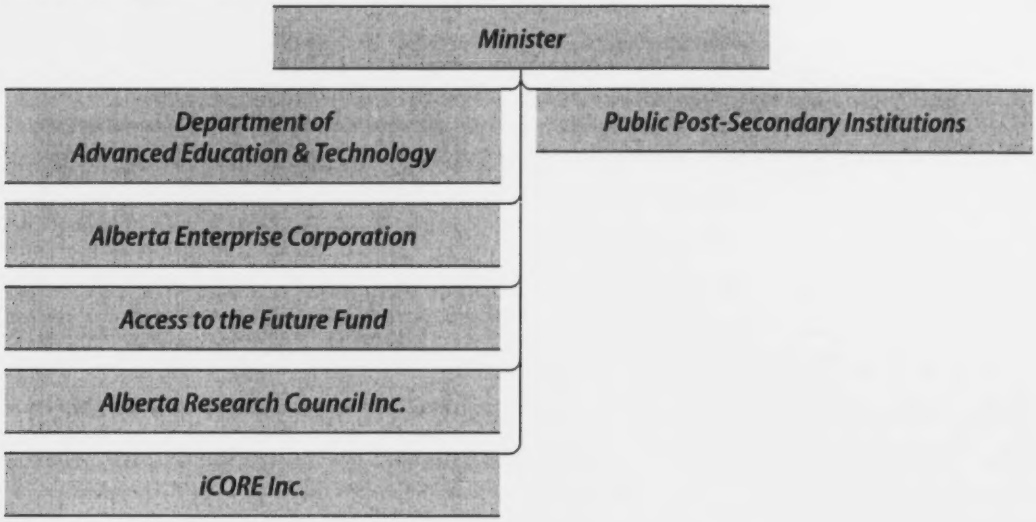
Communications

Communications provides timely, strategic communications support and advice (planning, consulting and technical guidance) to the Minister and the Department on key issues, policies and initiatives. Communications works closely with other provincial departments and other levels of government, media, stakeholders, educational and research institutions and others to inform Albertans about the importance of advanced learning and innovation.

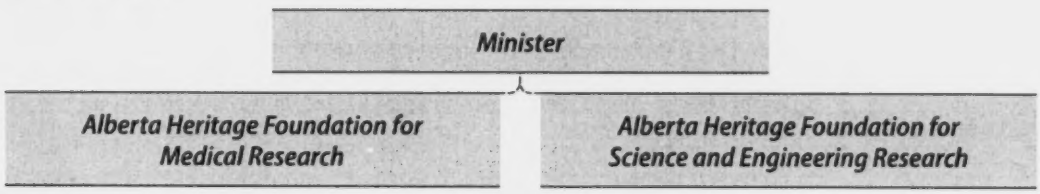
Human Resources

Human Resources consults, supports and advises the Department on all activities related to the management of its human resources such as policy and planning, staffing, performance management, job classification and organization design, employee relations, staff development, occupational health and safety, wellness and pay and benefits.

Entities Included in Ministry Financial Statements



Other Entities


Minister
Alberta Heritage Foundation for Medical Research
Alberta Heritage Foundation for Science and Engineering Research

Entities Included in Ministry Financial Statements

Department of Advanced Education and Technology

For an overview of the Department of Advanced Education and Technology, see pages 6-7.

Alberta Enterprise Corporation

Alberta Enterprise Corporation is a not-for-profit corporation owned by the Government of Alberta that invests as a limited partner in venture capital firms with demonstrated expertise in environmental, nano, life science or communications technologies. Through these activities, the corporation helps develop Alberta's venture capital industry. The corporation is part of the Government's plan to move Alberta toward a more diversified economy, built on knowledge-based companies in high value-added industry sectors.

Access to the Future Fund

The Access to the Future Fund supports innovation and excellence within the advanced learning system to enhance and expand accessible, affordable and high quality learning opportunities. The fund, established in 2005, receives income from an endowment held within the Alberta Heritage Savings Trust Fund.

Alberta Research Council Inc.

Alberta Research Council Inc. is a not-for-profit corporation owned by the Government of Alberta that delivers innovative science and technology solutions to meet the priorities of industry and government in Alberta. The corporation accelerates the development and commercialization of products, processes and services in the energy, life sciences, agriculture, environment, forestry and manufacturing sectors.

iCORE Inc.

iCORE Inc. is a not-for-profit corporation owned by the Government of Alberta that supports the innovation-based economy of the province by attracting world-class information and communications technology researchers and graduate students to Alberta. Access to research expertise and high quality students provides Alberta's traditional and emerging industry sectors with the knowledge and human resources needed to compete in the global economy.

Public Post-Secondary Institutions

For an overview of Public Post-Secondary Institutions, see pages 10-11.

Other Entities

The following entities are arms-length from, but accountable to, the Government of Alberta. They are excluded from consolidated budgets and financial statements of both the Ministry and the Government of Alberta. Under their respective statutes, these entities must prepare an annual report of their activities, including audited financial statements, and submit these to the Minister.

Alberta Heritage Foundation for Medical Research

The Alberta Heritage Foundation for Medical Research supports biomedical and health research at Alberta universities, affiliated institutions and other medical and technology-related institutions. The foundation currently provides funding for over 600 researchers and researchers-in-training at the province's three main universities. The Board of Trustees of the Alberta Heritage Foundation for Medical Research is appointed by the Lieutenant Governor in Council.

Alberta Heritage Foundation for Science and Engineering Research

The Alberta Heritage Foundation for Science and Engineering Research, operating under the trade name Alberta Ingenuity, develops internationally competitive science and engineering expertise and builds greater capacity for innovation by nurturing the discovery of new knowledge and encouraging its application to benefit Albertans and the world. The Board of Trustees of Alberta Ingenuity is appointed by the Lieutenant Governor in Council.

Public Post-Secondary Institutions

Comprehensive Academic and Research Institutions

- University of Alberta
- University of Calgary
- University of Lethbridge
- Athabasca University

Baccalaureate and Applied Studies Institutions

- Grant MacEwan College
- Mount Royal College

Polytechnical Institutions

- Northern Alberta Institute of Technology
- Southern Alberta Institute of Technology

Comprehensive Community Institutions

- Bow Valley College
- Grande Prairie Regional College
- Keyano College
- Lakeland College
- Lethbridge College
- Medicine Hat College
- NorQuest College
- Northern Lakes College
- Olds College
- Portage College
- Red Deer College

Specialized Arts and Culture Institutions

- Alberta College of Art + Design
- The Banff Centre

Public Post-Secondary Institutions

The *Roles and Mandates Policy Framework for Alberta's Publicly Funded Advanced Education System* (November 2007) includes a model of system configuration based on institutional differentiation that considers credentials offered, type and intensity of research activity, as well as geographic focus. The mandates for public post-secondary institutions include:

Comprehensive Academic and Research Institutions

Comprehensive Academic and Research Institutions provide baccalaureate and graduate degrees, and undertake pure and applied research activity. While instructional excellence is the core business of these institutions, research activity within the overall system is primarily conducted in this sector.

Baccalaureate and Applied Studies Institutions

Baccalaureate and Applied Studies Institutions provide baccalaureate degrees in specified areas, and certificate, diploma, and applied degree programs. Degree programs are limited to undergraduate programming. Applied research is conducted to foster innovation, and scholarly research activity is conducted as a basis to enhance the instructional mandate of these institutions within degree program disciplines.

Polytechnical Institutions

Polytechnical Institutions provide apprenticeship technical training, certificate and diploma programs largely geared to technical careers, and some applied and baccalaureate degrees in specified areas. Degree programs are limited to undergraduate programming. Applied research is conducted to foster innovation, and scholarly research activity is conducted as a basis to enhance the instructional mandate of these institutions within baccalaureate degree program disciplines.

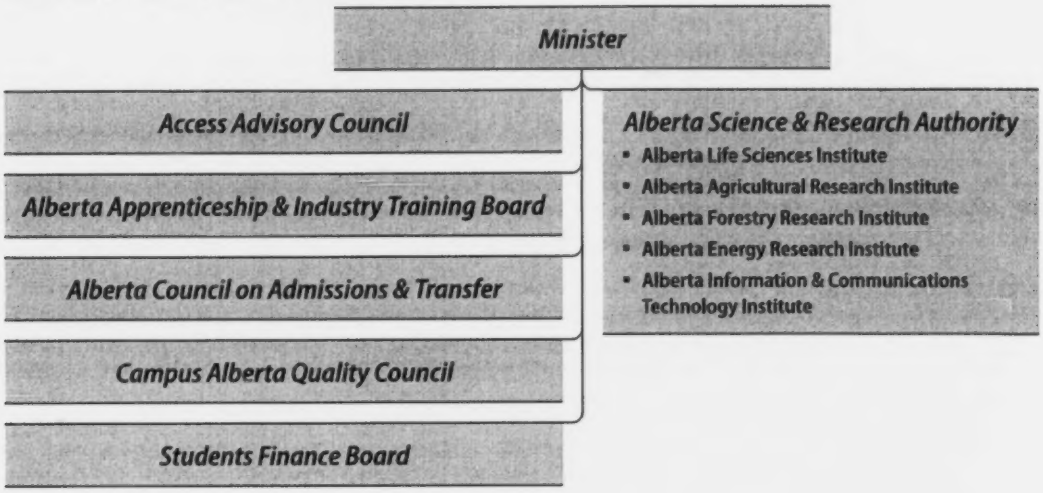
Comprehensive Community Institutions

Comprehensive Community Institutions provide broad programming, including apprenticeship technical training where demand warrants, certificate, diploma, foundational learning and upgrading. They may provide university transfer and applied degrees. Baccalaureate degrees are only provided where feasible, in alignment with areas of specialization and primarily in collaboration with a degree-granting institution. In some circumstances, degree granting is considered, subject to a Campus Alberta system review that supports demonstrated need and overall consistency with the *Alberta Access Planning Framework*. Applied research is conducted to foster innovation, and scholarly research activity is conducted as a basis to enhance the instructional mandate of these institutions within collaborative degree program disciplines. Alignment to geographical service areas facilitates regional planning and does not restrict student choice.

Specialized Arts and Culture Institutions

Specialized Arts and Culture Institutions are identified by their program breadth, concentration on the fine arts, cultural programming and professional development, as well as their geographic reach and client base.

Advisory Boards, Councils and Authorities


Minister
Access Advisory Council
Alberta Apprenticeship & Industry Training Board
Alberta Council on Admissions & Transfer
Campus Alberta Quality Council
Students Finance Board
Alberta Science & Research Authority
Alberta Life Sciences Institute
Alberta Agricultural Research Institute
Alberta Forestry Research Institute
Alberta Energy Research Institute
Alberta Information & Communications Technology Institute

Advisory Boards, Councils and Authorities

Access Advisory Council

The Access Advisory Council is appointed by the Minister of Advanced Education and Technology. The council provides strategic advice and recommendations to the Minister of Advanced Education and Technology regarding the objectives, operation and reporting of the Access to the Future Fund.

Alberta Apprenticeship and Industry Training Board

The Alberta Apprenticeship and Industry Training Board is appointed by the Lieutenant Governor in Council. The board works with industry to establish the standards and requirements for training and certification in programs under the *Apprenticeship and Industry Training Act*. It makes recommendations to the Minister of Advanced Education and Technology about the needs of Alberta's labour market for skilled and trained workers and the designation of trades and occupations.

Alberta Council on Admissions and Transfer

The Alberta Council on Admissions and Transfer is appointed by the Minister of Advanced Education and Technology, with representatives from the public, students, universities, public colleges and polytechnical institutions, private colleges, Aboriginal colleges and the Ministry of Alberta Education. Reporting to the Minister of Advanced Education and Technology, it is responsible for developing policies, guidelines and procedures designed to facilitate transfer agreements among post-secondary institutions and acts as an advocate for learners in the area of post-secondary admissions and transfer.

Campus Alberta Quality Council

The Campus Alberta Quality Council provides advice to the Minister of Advanced Education and Technology with respect to the quality of all non-divinity degree programs proposed by both resident and non-resident public and private institutions. It also has a role in monitoring these programs once they are approved to ensure that the council's conditions and quality standards continue to be met.

Students Finance Board

The Students Finance Board is appointed by the Minister of Advanced Education and Technology, with representatives from the public and students. The board provides advice to the Minister on matters pertaining to financial assistance for post-secondary students. The Minister may also request the board make inquiries, conduct research, or collect information and report results.

Alberta Science and Research Authority

The Alberta Science and Research Authority (ASRA) is a legislated board and a senior advisory body that provides policy advice to the government in the areas of science, research, technology and innovation. The authority's mission is to enhance the contribution of science and research to the sustainable prosperity and quality of life of all Albertans. The board is appointed by the Lieutenant Governor in Council and consists of members from Alberta's academic, business and research communities.

Also included in the ASRA legislation are the following research institutes:

- Alberta Life Sciences Institute
- Alberta Agricultural Research Institute
- Alberta Forestry Research Institute
- Alberta Energy Research Institute
- Alberta Information and Communications Technology Institute

Each of the institutes has an unincorporated board with representatives from industry, academia and government. The boards, appointed by the Minister of Advanced Education and Technology, provide strategic direction within their priority sectors.

Summary of Key Activities

Advanced Education and Technology pursued the following activities in 2008-09 in support of its core businesses and goals.

Core Business 1

Provide Strategic Leadership for Alberta's Advanced Learning and Research System

Goal 1

Alberta's advanced learning and research capacity aligns with learner and labour-market demand and serves the needs of a knowledge-intensive society

- Continued to implement the *Roles and Mandates Policy Framework for Alberta's Publicly Funded Advanced Education System* including introduction of the Six Sector Model for Alberta's publicly funded post-secondary institutions to ensure the best program and institutional mix to meet the needs of learners, the economy and society.
- Developed and released the *Alberta Access Planning Framework* to promote collaboration among post-secondary institutions and provide key system data for year-to-year planning.
- Provided $73 million to fund 2,447 additional certificate, diploma and degree spaces at post-secondary institutions, including 949 in health programs which will allow the province to enhance health care service delivery as more graduates enter the workforce.
- Created over 900 additional apprenticeship technical training seats to meet needs in high demand areas.
- Provided $3.6 million in grants through the Access to the Future Fund to support innovative project-based initiatives aimed at increasing collaboration and participation in the advanced learning system.
- Provided $42.6 million in grants through the Access to the Future Fund's Renaissance Fund to match contributions to the advanced learning system, including $1.4 million to the six Aboriginal colleges.
- Provided $874 million to support expansion and preservation of post-secondary facilities which is comprised of $694 million for expansion projects and $180 million for capital maintenance and renewal.
- Supported Aboriginal colleges in expanding transfer opportunities throughout the advanced learning system through the Alberta Council on Admissions and Transfer.
- Continued to support partnering in industry-driven research and development initiatives to assist in company creation and identify solutions to industry challenges.

Core Business 2

Foster a Culture of Learning that Develops Highly Skilled and Qualified People

Goal 2

Albertans are able to participate fully in lifelong learning

- Released the Vibrant Learning Communities Framework which includes initiatives in support of expanded learning opportunities for adults.
- Co-hosted, with Alberta Education, a three-day Pan-Canadian Interactive Literacy Forum for 600 early learning, K-12, community, post-secondary and industry participants.
- Continued implementation of the Learning Clicks Ambassador program resulting in more than 14,000 youth and adults receiving presentations, information and guidance to assist them with planning for post-secondary education and training.
- Launched the Learning Clicks CD-ROM redesign and developed a "Trades and Education Planning" website section, enabling students to link to important resources on a variety of topics at all levels of post-secondary education and training.
- Attended various conferences and tradeshows, bringing our post-secondary planning message to students, parents, educators and other Albertans.
- Revised and distributed the Step into the Trades resources to reflect current status of the trades and occupations.
- Provided $60,000 to CAREERS: The Next Generation to develop an informational video on careers in trades which is currently being used in presentations to high school students.
- Registered over 22,600 new apprentices in 2008, bringing the total number of apprentices being trained in Alberta now to over 70,000.
- Developed an Aboriginal Action Plan with the goal of increasing participation in apprenticeship and industry training.
- Through the implementation of the International Education Action Plan, continued to promote Alberta as a destination of choice for international students, faculty and researchers and prepare Albertans for their role in the global marketplace and as global citizens.
- Increased post-secondary student participation in study-abroad initiatives and international internships through the Campus Alberta Grant for International Learning, a renewed agreement with The Washington Center and expanded cooperation with the Smithsonian Institute.
- Developed and launched the Prior Learning Assessment and Recognition (PLAR) Action Plan at the 2008 Canadian Association for Prior Learning Assessment conference.
- Continued to lead the Council of Ministers of Education Canada's Quality Assurance Subcommittee to assist in the implementation of consistent quality assurance standards across Canada.
- Approved 17 new degree programs proposed by Alberta's post-secondary institutions on the recommendation of the Campus Alberta Quality Council.
- Supported 80 Community Adult Learning Councils, 71 adult literacy and 50 family literacy programs which provided over 6,000 learning opportunities to 70,000 registrants.
- Provided $2.25 million for innovative projects to increase access to literacy and lifelong learning programs and services for adult learners in 37 Alberta communities.
- Provided over $12.6 million to support WorldSkills Calgary 2009 as part of the Government of Alberta's overall $24 million commitment to the event.

Core Business 2 ***Foster a Culture of Learning that Develops Highly Skilled and Qualified People***

Goal 3

Alberta has an affordable advanced learning system

- Continued to implement Affordability Framework initiatives for student financial assistance including increasing living allowances by 5%, increasing the annual loan limits to $13,300 per year, increasing the part-time earnings exemption to $800 per month, removing restrictions on scholarship income, and reducing the variable interest rate on Alberta direct student loans to the prime lending rate and the fixed rate to prime plus 2%.
- Awarded $70 million in scholarships , the most ever, recognizing the achievement of excellence that occurs throughout the learning process. This includes significant increases over the prior year in Heritage Scholarships and in Achievement Scholarships. This $70 million includes the following:
  - Invested $11 million in Alberta's graduate scholarship program to expand financial awards for graduate students.
  - Provided over $300,000 to help Aboriginal students follow career paths in the health sector through the Aboriginal Health Careers Bursary.
  - Awarded $100,000 to 27 students under the Persons Case Scholarships to reward participation by students studying in non-traditional areas, a 250% increase over the previous year.
  - Awarded 707 scholarships to apprentices in 2008, an increase of 93 scholarships from the previous year, including 425 scholarships for Registered Apprenticeship Program (RAP) applicants and 282 to full-time apprentices registered with Apprenticeship and Industry Training.
- Participated in various pan-Canadian committees to improve and simplify student assistance programs to ensure appropriate financial support to adult learners.
- Disbursed $6.7 million in Millennium Alberta Rural Incentive Bursaries.
- Awarded $1.6 million under the First Nations College Access Grant pilot to provide needs-based bursaries to Aboriginal learners.
- Promoted the Alberta Centennial Education Savings program to motivate parents to begin planning and saving for their children's post-secondary education as early as possible.

Core Business 3

Support Research and its Application and Commercialization to Grow a More Diverse Alberta Economy

Goal 4

Alberta's research capacity supports enhanced excellence in research and innovation in strategic areas

- Developed the *Roles and Mandates Framework for Alberta's Provincially Funded Research and Innovation System* to align the Alberta research and innovation system in support of a diversified and sustainable economy.
- Finalized and released the *Making the Food-Health Connection – An Alberta Framework for Innovation* to help improve health outcomes for Albertans and to help drive a stronger, diversified Alberta economy based on "the healthy choice."
- Announced a $30 million investment to support nanotechnology programming for Bachelor of Science in Engineering students at the University of Alberta and Bachelor of Science students at the University of Calgary.
- Participated in a multi-partner research project to investigate pulping process modifications to reduce the impact of the mountain pine beetle.
- Launched the nanoWorks program, a $15 million commitment over 5 years to increase industrially driven research and commercialization, with a focus on growing new nanotech businesses, garnering nanotech talent, building nanotech infrastructure, and creating economic and social benefits for the province.
- Awarded $3 million in Nanotechnology Scholarships to reward and promote excellence in nanotechnology in Alberta.
- Contributed $3.5 million as part of an $8 million total investment towards the Alberta Centre for Advanced Microsystems and Nanotechnology Products (ACAMP) which will support the province's growing nanotechnology sector in critical areas of commercialization.
- Committed $9.8 million in funding through the Small Equipment Grants Program to support 40 strategic projects that bolster recruitment and retention of top faculty at Alberta universities.
- Developed and launched the Information and Communications Technology Awareness Campaign to promote science and technology awareness within Alberta, including encouraging youth to enter careers in technology.
- Continued to support the province's Water for Life strategy through entering into a $15 million cost-shared project with GE Water & Process Technologies and other research funding partners to implement technology that will improve the treatment and re-use of water in some oil sands operations.
- Provided $6.6 million in funding for a three-year $20 million project for three test wells in a long-term, large volume CO_2 sequestration project. Information from the field tests will support Alberta's Climate Change Strategy.
- Committed $29 million towards Edmonton's first industrial scale municipal waste-to-ethanol facility, which will produce biofuels from solid waste and reduce Alberta's CO_2 footprint.

Core Business 3 ***Support Research and its Application and Commercialization to Grow a More Diverse Alberta Economy***

Goal 5

Value is captured from research and innovation

- Released Alberta's Action Plan: *Bringing Technology to Market* with $178 million in funding to assist Alberta in becoming one of the world's preferred destinations to turn ideas into products and services by building a community of researchers, mentors, investors and businesspeople that can support and encourage technology to be brought to market. As part of the plan, the following initiatives were implemented:
  - Established the Alberta Enterprise Corporation with $100 million in funding to further attract and strengthen venture capital in Alberta by making investments as a limited partner in venture capital funds focused on priority knowledge-based industry sectors.
  - Launched an Innovation Voucher Pilot Program that provides vouchers of up to $10,000 or $50,000 to support projects by eligible businesses developing new technology or knowledge-based ideas into marketable products or services for global markets.
  - Funded two new product development centres.
  - Launched the Youth Technopreneurship Program to support incubation of winning business proposals from college students and recent high school graduates throughout Alberta.
  - Provided $10 million in funding for the IVAC Capacity Builder Program.
- Supported access to capital programs such as the Alberta Venture Channel, Banff Venture Forum and TEC Edmonton's Deal Generator and VenturePrize.
- Launched the Energy Innovation Platform of Alberta, a database of research in all areas of energy and technology development. The database is a starting point for technology and information transfer from researchers to industry and the implementation of technology in the field.
- Supported regional business initiatives in Edmonton, Calgary and Medicine Hat to enhance the competitiveness of Alberta's business environment with respect to encouraging technology commercialization and adoption.
- Signed four memoranda of understanding with foreign entities on research and technology development.
- Conducted international technology missions to open global markets for technology development and commercialization, attract investment to Alberta and increase multi-national corporate presence in Alberta.
- Facilitated and supported collaborative research and development projects with significant multi-national companies to develop specific technologies with the potential for commercial applications in Alberta.
- Announced the Canada-Alberta Western Economic Partnership Agreement, a joint $50 million federal/provincial program that supports economic development in Alberta with specific focus on technology commercialization, business productivity and competitiveness, trade and investment and value-added processing.
- Received Distinction Awards at the GTEC 2008 in Ottawa for achievements in information and communications technology.

Results Analysis

Results Analysis

Review Engagement Report

Financial Highlights

Limited Assurance Review

Operational Highlights

AUDITOR GENERAL *Alberta*

Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as "Reviewed by Auditor General" included in the Ministry of Advanced Education and Technology's *2008-09 Annual Report*. These performance measures are prepared based on the following criteria:

- Reliability – Information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – Actual results are presented clearly and consistently with the stated methodology and presented on the same basis as targets and prior years' information.
- Completeness – Performance measures and targets match those included in Budget 2008. Actual results are presented for all measures.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the "Reviewed by Auditor General" performance measures in the Ministry's *2008-09 Annual Report* are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

original signed by

Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
September 9, 2009

Financial Highlights

Expenses by Core Business

(in thousands)	2009 Budget	2009 Actual	2008 Actual
Advanced Learning and Research System	$ 2,939,133	$ 2,963,821	$ 2,791,576
Develop Highly Skilled and Qualified People	253,822	244,765	205,603
Research Application and Commercialization	234,791	227,187	237,346
	$ 3,427,746	$ 3,435,773	$ 3,234,525

Overall expenses were $8 million more than originally budgeted, primarily due to additional funding for post-secondary facilities infrastructure, and were $201 million more than the prior year, primarily due to increased operating grants to post-secondary institutions. Detailed information on grants provided to Alberta's public post-secondary institutions can be found in Schedule 6 of the Department Financial Statements on page 81.

All expenses for the Advanced Learning and Research System and Develop Highly Skilled and Qualified People core businesses are in support of the Government of Alberta's "Education" function. All expenses for the Research Application and Commercialization core business are in support of the "Agriculture, Research Management and Economic Development" function.

Revenue

(in thousands)	2009 Budget	2009 Actual	2008 Actual
Transfers from Government of Canada	$ 512,017	$ 543,761	$ 378,540
Internal Government Transfers	186,723	183,296	175,635
Other Revenue	77,944	72,896	70,248
Sub-Total	776,684	799,953	624,423
(Decrease) Increase in Equity in Public Post-Secondary Institutions	—	(149,452)	50,242
	$ 776,684	$ 650,501	$ 674,665

A discussion of the main sources of revenue for 2008-09 is below. Additional detail on the Ministry's revenues can be found in Schedule 1 of the Ministry Financial Statements on page 59.

Transfers from the Government of Canada primarily consists of $516 million (2008 - $337 million) for Canada Social Transfers and $19 million (2008 - $32 million) from the Government of Canada for post-secondary facilities infrastructure.

Internal Government Transfers includes $102 million from the Lottery Fund for various Ministry programs and $34 million from the Alberta Heritage Scholarship Fund for Heritage Scholarships. It also includes a $47 million transfer from the Advanced Education Endowment to support the Access to the Future Fund.

Other Revenue primarily consists of $50 million (2008 - $46 million), mainly for contract research revenues at the Alberta Research Council, $6 million for interest on outstanding student loans and $11 million related to apprenticeship marketing and licensing activities.

As per the government's accounting and reporting policies, the change in equity in public post-secondary institutions is reported in the Ministry financial statements. The change in equity represents the cumulative effect of the institutions' transactions for the year. The amount recorded has decreased $200 million from the prior year due to reduced net income and due to investment losses. The budget process does not include the institutions and no budget was set for the change in equity.

Limited Assurance Review

In prior years, the Office of the Auditor General applied specified procedures to all Ministry performance measures included in the annual report. In the current year, the Office of the Auditor General conducted a limited assurance review of a selection of performance measures that are identified in the annual reports as "Reviewed by Auditor General." The measures were selected for review by Ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal and mandated initiatives,
- Measures have well established methodology and reporting of data,
- Measures have outcomes over which the government has a greater degree of influence,
- Each goal has at least one reviewed performance measure.

Operational Highlights

Core Business 1

Provide Strategic Leadership for Alberta's Advanced Learning and Research System

Expenses

In 2008-09, the Ministry provided $3.0 billion for Core Business 1 in support of the following goal:

Alberta's advanced learning and research capacity aligns with learner and labour-market demand and serves the needs of a knowledge-intensive society

- $1.68 billion in base operating grants to the 21 public post-secondary institutions and 6 private, not-for-profit institutions to support instruction and operating costs.
- $874 million for post-secondary facilities infrastructure.
- $276 million for spaces in programs (including health care and apprenticeship) that have high learner and labour market demand.
- $46.2 million to match contributions made to post-secondary institutions ($42.6 million) and to support initiatives aimed at increasing collaboration and participation in the advanced learning system ($3.6 million).
- $24 million in support of community-based adult learning programs including literacy programs.
- $31 million to post-secondary institutions to support strategic initiatives.

Core Business 1 ***Provide Strategic Leadership for Alberta's Advanced Learning and Research System***

Goal 1

Alberta's advanced learning and research capacity aligns with learner and labour-market demand and serves the needs of a knowledge-intensive society

Outcome

Enrolment capacity in the advanced learning system responds to learner and labour-market demand

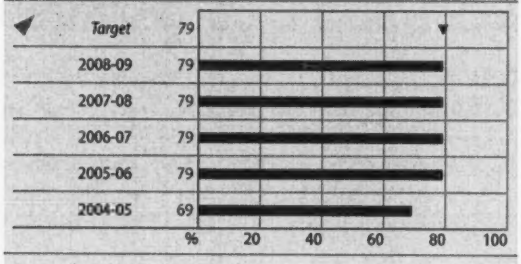
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategies:

- Implement strategies to support the *Roles and Mandates Policy Framework for Alberta's Publicly Funded Advanced Education System.*
- Develop a provincial access framework that identifies learner demand, occupational demand, and growth program areas.
- Increase enrolment capacity in the post-secondary system to meet learner and labour-market demand consistent with the provincial access framework and in alignment with government-wide priorities.
- Expand access for Aboriginal Albertans by building partnerships and capacity with providers of Aboriginal adult learning opportunities, including working with Aboriginal colleges to facilitate recognition of programs and expanded transfer in the advanced learning system.
- Enhance the infrastructure of Alberta's public post-secondary system to facilitate delivery of high-quality advanced learning opportunities throughout the province.
- Enhance learner access and entrance into the advanced learning system through the use of technology, innovation, and collaboration with post-secondary institutions.
- Align capital planning to respond to the enrolment and research capacity needs of the advanced learning and research system.
- Support Alberta Health and Wellness to increase access to quality health care and improve the efficiency and effectiveness of health care service delivery.

Performance Measure **Reviewed by Auditor General**

Public Satisfaction that Adult Albertans can Access Education or Training



Source: Alberta Advanced Education and Technology

Access to Education or Training

Public satisfaction that adult Albertans can access the education or training they want is a measure of the accessibility and availability of advanced learning opportunities.

- In 2008-09, 79% of Albertans were satisfied that adult Albertans have access to the education and training they want, meeting the target of 79%.
- Advanced Education and Technology developed the *Alberta Access Planning Framework* to support planning within the province's post-secondary system in order to broaden access and ensure that Alberta's post-secondary providers can respond to the needs of learners, the economy, and society.

Notes

- See Endnote A (p. 157) re surveys conducted by an external contractor.

Goal 1 ***Alberta's advanced learning and research capacity aligns with learner and labour-market demand and serves the needs of a knowledge-intensive society***

Outcome ***Research capacity serves the needs of a knowledge-intensive society***

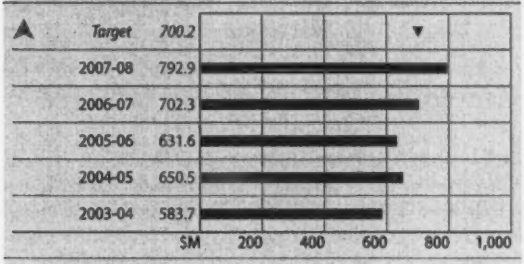
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategies:

- Work with partners and stakeholders to develop a collaborative, networked, and multi-disciplinary research system that spurs innovation.
- Review research capacity in Alberta's advanced learning and research system to allow enhanced alignment of research and innovation capacity with the needs of the system.

Performance Measure **Reviewed by Auditor General**

Total Sponsored Research Revenue Attracted by Alberta Universities ($ million)



Source: Alberta Advanced Education and Technology

Sponsored Research Revenue Attracted by Alberta Universities

The ability of Alberta universities to attract research funding is an indicator of the quality of the university's faculty and research programs and is an important measure of the capability and capacity of Alberta's research system.

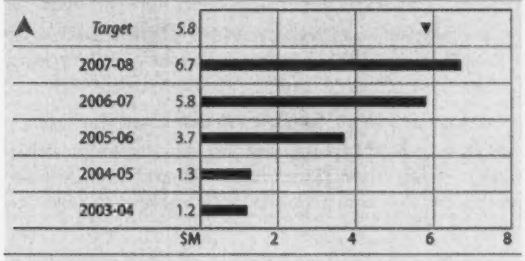
- Total sponsored research funding in 2007-08 was $792.9 million, exceeding the target of $700.2 million.
- Provincial research capacity, capital investments and federal research programs have been the major factors in the long-term increase in sponsored research revenue.

Notes

- 2006-07 data has been restated from $686.5 million to $702.3 million to reflect support for buildings related to research activity at the University of Calgary.
- See Endnote S (p. 164) re total sponsored research revenue attracted by Alberta universities.

Performance Measure

Total Sponsored Applied Research Revenue Attracted by Alberta Technical Institutes and Colleges ($ million)



Source: Alberta Advanced Education and Technology

Sponsored Applied Research Revenue Attracted by Alberta Technical Institutes and Colleges

Alberta colleges and technical institutes conduct applied research, an important element of Alberta's innovation system. The measure of sponsored research revenue garnered by colleges and technical institutes demonstrates the extent to which the institutions are developing their research and development capacity and capabilities.

- In 2007-08, $6.7 million in sponsored research revenue was attracted by Alberta technical institutes and colleges exceeding the target of $5.8 million. Significant industry investment in research related activities at the Banff Centre was a large contributor to the 2007-08 increase.
- Applied research conducted at colleges and technical institutes fosters the transfer of knowledge to the industrial/commercial sectors and strengthens partnerships between research institutions and industry.
- Strengthening Alberta's ability to capitalize on the benefits of applied research is critical to ensuring long-term economic competitiveness.

Notes

- 2005-06 data was revised from $6.7 million to $3.7 million due to a revision of technical institute data in the 2007-08 Annual Report.
- See Endnote T (p. 165) re total sponsored research revenue attracted by Alberta technical institutes and colleges.

Goal 1

Alberta's advanced learning and research capacity aligns with learner and labour-market demand and serves the needs of a knowledge-intensive society

Results at a Glance

▲ *Target exceeded*
◥ *Target met*
✕ *Target not met*
○ *N/A, no target set*

Outcomes / Performance Measures	Previous Years' Results				Current Results	*2008-09 Targets*
Enrolment capacity in the advanced learning system responds to learner and labour market demand						
Public satisfaction that adult Albertans can access education or training	69% 2004-05	79% 2005-06	79% 2006-07	79% 2007-08	79% 2008-09	*79%* ◥
Research capacity serves the needs of a knowledge-intensive society						
Total sponsored research revenue attracted by Alberta universities ($ million)	583.7 2003-04	650.5 2004-05	631.6 2005-06	702.3 2006-07	792.9 2007-08	*700.2* ▲
Total sponsored applied research revenue attracted by Alberta technical institutes and colleges ($ million)	1.2 2003-04	1.3 2004-05	3.7 2005-06	5.8 2006-07	6.7 2007-08	*5.8* ▲

Discussion of Results

Goal 1 focused on aligning Alberta's advanced learning and research capacity with learner and labour market demand to ensure it serves the needs of a knowledge-intensive society.

Government strongly supported this goal, and the capacity and responsiveness of the advanced learning and innovation system were a high priority during this reporting year. This commitment was evident in the significant investments in the post-secondary system including $1.68 billion in base operating grants to post-secondary institutions to support instruction and operating costs.

Government also took significant steps towards increasing capacity in the advanced learning system by funding 2,447 additional certificate, diploma and degree spaces at post-secondary institutions and creating over 900 additional apprenticeship technical training seats to meet needs in high demand areas. Public satisfaction that advanced learning opportunities are accessible has remained consistently high over the last five years with 79% of Albertans satisfied that adult Albertans have access to the education and training they want.

The Ministry built on these successes and continued to implement the *Roles and Mandates Policy Framework for Alberta's Publicly Funded Advanced Education System* including introducing the Six Sector Model for Alberta's publicly funded post-secondary institutions to ensure the best program and institutional mix to meet the needs of learners, the economy, and society. To ensure the advanced learning system continues to be responsive to learner and labour market demand, the Ministry released the *Alberta Access Planning Framework* to promote collaboration among post-secondary institutions and provide key system data for year-to-year planning.

To support high quality advanced learning opportunities, $46.2 million was provided to match contributions made to post-secondary institutions and to support initiatives aimed at increasing collaboration and participation in the advanced learning system.

The Ministry's relationship with Aboriginal colleges also continued to evolve in 2008-09 with efforts to increase capacity, quality and linkages with the broader post-secondary system. The $46.2 million mentioned above included the allocation of $1.4 million to the six Aboriginal colleges through the Access to the Future Fund's Renaissance Fund matching program. This is one aspect of the Ministry's efforts to build capacity in Aboriginal colleges and engage Aboriginal people in advanced learning opportunities in the province.

Excellence in research and development attracts sponsored research revenue in a highly competitive environment. The ability of the post-secondary system to attract research funding reflects the capacity and quality of Alberta's research system. Sponsored research funding at Alberta's universities increased from $583.7 million in 2003-04 to $792.9 million in 2007-08. The significant increase in this funding in the last five years reflects Alberta's success in garnering research awards and investments in research capital initiatives aimed at increasing the research capacity of universities.

Significant investment in post-secondary infrastructure continued in 2008-09 with $874 million in capital grants to post-secondary institutions. These investments will expand capacity and preserve existing infrastructure. Capital infrastructure will continue to be a priority in future years as it provides the foundation for a quality advanced learning and innovation system.

The Ministry has undertaken several initiatives and made significant investments to align Alberta's advanced learning and research capacity with learner and labour market demand. These efforts are having the intended results as most Albertans are satisfied that they can access the education or training that they want and sponsored research revenue attracted by the post-secondary system continues to grow. Ensuring a robust advanced learning and innovation system will continue to be important to the long-term success of the province. This includes ensuring the system continues to be responsive to the needs of learners and researchers in a knowledge-intensive society. Building capacity and ensuring a sustainable and responsive system will be critical for the Ministry in the coming years as we respond to the impacts of current economic conditions while taking a balanced approach to promoting long-term growth and continuing to build a world-class advanced learning and innovation system.

Core Business 2 — *Foster a Culture of Learning that Develops Highly Skilled and Qualified People*

Expenses

In 2008-09, the Ministry provided $245 million for Core Business 2 in support of the following goals:

Albertans are able to participate fully in lifelong learning

- $37 million in departmental support to the Apprenticeship and Industry Training system, including $11 million in funding for apprenticeship marketing and licensing activities to provide services in designated trades and occupations.

Alberta has an affordable advanced learning system

- $70 million in scholarships, including Heritage and Achievement Scholarships.
- $69 million in loan relief and expenses related to future cost of student loans issued.
- $28 million in bursaries and grants, including the Alberta Opportunities and Rural Incentive Bursaries.
- $11 million in Alberta Centennial Education Savings Plan grants.

Goal 2 — Albertans are able to participate fully in lifelong learning

Outcome — *A broad array of learning opportunities is available within local communities*

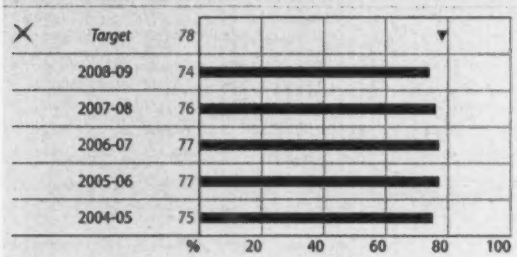
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategies:

- Provide opportunities in local communities for Albertans including Aboriginal, immigrant, youth, and other under-represented groups to access programs that offer literacy, English as a Second Language, and lifelong learning.
- Expand community capacity by providing opportunities to ensure community programs are addressing literacy, English as a Second Language, and other learning needs of adults.

Performance Measure

Public Agreement that Programs, Classes or Courses are Offered in Locations (including online) that are Easily Accessible



Source: Alberta Advanced Education and Technology

Accessibility of Advanced Learning System Programs, Classes and Courses

Advanced Education and Technology supports and leads initiatives directed to providing easily accessible learning opportunities for all Albertans.

- In 2008-09, 74% of respondents were satisfied that programs, classes, or courses are easily accessible. The target was not met.
- The Ministry recognizes the importance of participation in the post-secondary system and directs a substantial portion of provincial spending to increasing accessibility through the provision of additional post-secondary seats and training spaces, by providing learning opportunities in rural communities and by promoting distance learning.

Notes

- See Endnote A (p. 157) re surveys conducted by an external contractor.
- See Endnote L (p. 162) re public agreement that post-secondary education is accessible.

▲ Target exceeded | ◀ Target met | ✕ Target not met | ○ N/A, no target set

Goal 2 *Albertans are able to participate fully in lifelong learning*

Outcome ## *Albertans participate in the advanced learning system*

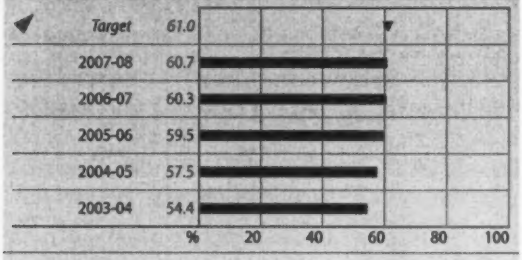
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategies:

- Develop innovative approaches to increase participation of Aboriginal, immigrant, and other under-represented groups in learning opportunities.
- Enhance parents' and learners' knowledge and awareness of Alberta's advanced learning system, planning tools, and financial support options through a collaborative raising-awareness program.
- Develop innovative approaches to improve participation and achievement in apprenticeship and industry training in response to industry needs.
- Encourage increased industry participation and investment in the apprenticeship and industry training system in collaboration with the Alberta Apprenticeship and Industry Training Board, employers, and other stakeholders.

Performance Measure

High School to Post-Secondary Transition Rate (within Six Years of Entering Grade 10)



Source: Alberta Education

Transition to Post-Secondary Education

The high school to post-secondary transition rate indicates the participation of students in the advanced learning system.

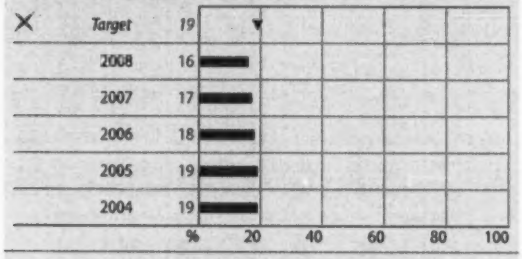
- In 2007-08, 60.7% of high school students made the transition to post-secondary studies within six years of entering Grade 10, meeting the target.
- The high school to post-secondary transition rate has increased over time. This reflects expanded capacity at post-secondary institutions as well as an understanding on the part of Alberta youth that post-secondary education or apprenticeship training is important for their future success.
- To support students attending post-secondary programs, the Alberta government has expanded the Rutherford scholarship to include students with a 75% average in specific high school courses and continues to provide students with numerous resources including planning tools and financial assistance to encourage participation in the advanced learning system.

Notes

- Students are considered to be attending post-secondary if they are enrolled in a publicly funded post-secondary institution in Alberta or registered in an apprenticeship program in Alberta.
- The post-secondary transition rates include estimates for attrition and for students who attend post-secondary outside the province.
- A target is considered met if the result is within 5% of the target.
- See Endnote F (p. 161) re transition rate of learners from high school to post-secondary.

Performance Measure **Reviewed by Auditor General**

Proportion of Albertans Aged 18-34 Participating in Post-Secondary Education



Source: Statistics Canada, Labour Force Survey, special tabulation for Alberta Advanced Education and Technology

Participation in Post-Secondary Education

Adult Albertans aged 18-34 were surveyed to determine if they had taken some education or training in the past year.

- In 2008, 16% of adult Albertans aged 18-34 had participated in post-secondary education. The target of 19% was not met.
- Several raising awareness initiatives are in place to inform primary and secondary students of post-secondary learning opportunities. Advanced Education and Technology supports and implements initiatives to increase accessibility and availability of programs at post-secondary institutions and online.

Notes

- See Endnote C (p. 159) re Statistics Canada's Labour Force Survey.

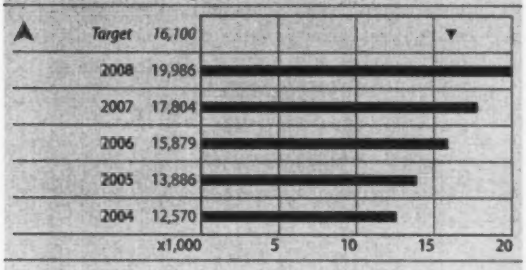
▲ *Target exceeded* | ✓ *Target met* | ✗ *Target not met* | ○ *N/A, no target set*

Goal 2 *Albertans are able to participate fully in lifelong learning*

Outcome *Albertans participate in the advanced learning system*

Performance Measure **Reviewed by Auditor General**

New Apprentices Registered (5-Year Average)



Source: Alberta Advanced Education and Technology

New Apprentices Registered

New apprentices registered is a key measure of the success of the system in attracting new entrants into the trades.

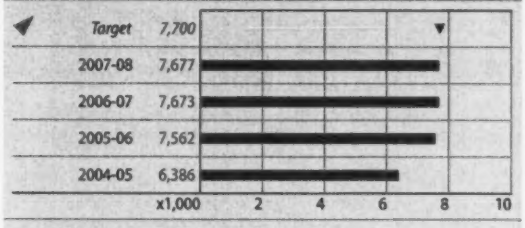
- In 2008, the five-year average of new apprentices registered in Alberta was 19,986, exceeding the target of 16,100.
- During the 5-year period there was a high demand for skilled tradespersons which resulted in increased enrollments in apprenticeship training programs.

Notes

- Five-year averages are used for this measure to smooth out swings resulting from changes in the level of economic activity.
- See Endnote G (p. 161) re new apprentices registered.

Performance Measure

Aboriginal Learners Participating at Post-Secondary Institutions



Source: Alberta Advanced Education and Technology

Participation of Aboriginal Learners in Post-Secondary Education

This is a measure of the province's ability to attract Aboriginal learners into the post-secondary system.

- A total of 7,677 Aboriginal learners were enrolled at publicly-funded post-secondary institutions in 2007-08, meeting the target.
- The Ministry continues to partner with the post-secondary system, Aboriginal colleges and Aboriginal communities to find innovative ways to increase Aboriginal participation in advanced learning opportunities.
- In 2008-09, $1.6 million was awarded under the First Nations College Access Grant pilot, and $1.4 million was allocated to the six Aboriginal colleges through the Access to the Future Fund's Renaissance Fund matching program to support initiatives to enhance accessibility and affordability. As well, new funding was approved to create additional spaces for Aboriginal and other under-represented groups.

Notes

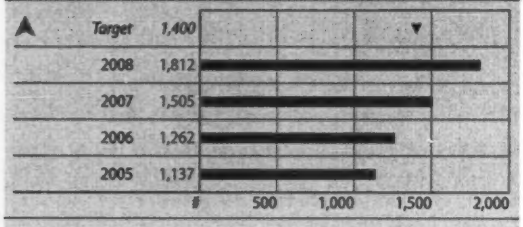
- A target is considered met if it is within 5% of the target value.
- In 2007-08 the measure was expanded to include all Aboriginal learners participating at publicly-funded post-secondary programs and not just those who are Alberta residents. Therefore, results have been restated for 2005-06 and 2006-07. Aboriginal status is self-reported by individuals and therefore the data may under-represent the true number of Aboriginal learners in the post-secondary system.
- See Endnote D (p. 160) re Learner Enrolment Reporting System.
- See Endnote I (p. 162) re participation of Aboriginal learners at post-secondary institutions.

Goal 2 *Albertans are able to participate fully in lifelong learning*

Outcome *Albertans participate in the advanced learning system*

Performance Measure

Aboriginal Learners Participating in Apprenticeship



Source: Alberta Advanced Education and Technology

Participation of Aboriginal Learners in Apprenticeship

Aboriginal Albertans are important contributors to Alberta's success in moving towards a next generation economy founded on knowledgeable and skilled citizens.

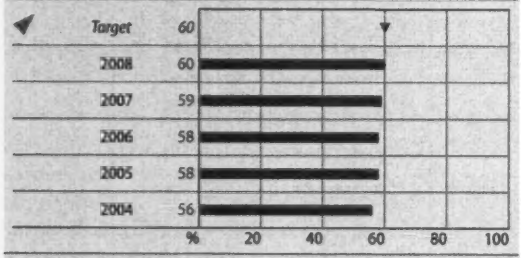
- As of December 31, 2008 there were 1,812 Aboriginal apprentices, surpassing the target of 1,400.
- Expanding access for Aboriginal learners in apprenticeship and industry training continues to be an important collaborative initiative, with support from Advanced Education and Technology, the Apprenticeship and Industry Training Board, industry, Aboriginal communities and training institutes.

Notes

- Aboriginal status is based on self-disclosure and may under-represent the actual number of Aboriginal persons participating in apprenticeship programs.
- In 2007-08, the title of the measure was revised from "Participation of Aboriginal Albertans in Apprenticeship" because the results include all self-identified Aboriginal apprentices registered in Alberta's apprenticeship and industry training system.
- Aboriginal apprentices who registered in more than one trade or branch of a trade within the year are counted only once.
- See Endnote H (p. 161) re participation of Aboriginal learners in apprenticeship.

Performance Measure **Reviewed by Auditor General**

Educational Attainment of Albertans Aged 25 to 64: Proportion Completing Post-Secondary Education



Source: Statistics Canada, Labour Force Survey, special tabulation for Alberta Advanced Education and Technology

Educational Attainment of Albertans Aged 25 to 64

A highly skilled and knowledgeable citizenry has positive social and economic benefits.

- In 2008, 60% of Albertans aged 25-64 had completed post-secondary studies, meeting the target of 60%.
- Advanced Education and Technology continued to encourage participation in the advanced learning system by reducing financial barriers through the implementation of the Affordability Framework initiative, including lowering the variable interest rate on student loans to prime and the fixed rate to prime plus 2%, increasing access to post-secondary education through the creation of new spaces and supporting learner transitions through transfer agreements offering learners transfer credit between programs and institutions. The percentage of Albertans age 25-64 with a post-secondary credential continues to increase. The growth is the combined result of the in-migration of skilled and educated workers to Alberta as well as learners in the system completing their program.

Notes

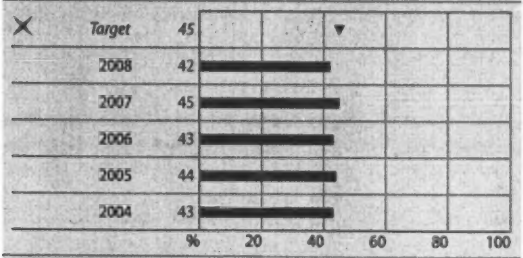
- See Endnote C (p. 159) re Statistics Canada's Labour Force Survey.

Goal 2 *Albertans are able to participate fully in lifelong learning*

Outcome *Albertans participate in the advanced learning system*

Performance Measure **Reviewed by Auditor General**

Educational Attainment of Aboriginal Albertans Aged 25 to 64: Proportion Completing Post-Secondary Education



Source: Statistics Canada, Labour Force Survey, Special tabulation for Alberta Advanced Education and Technology

Educational Attainment of Aboriginal Albertans Aged 25 to 64

Educational attainment of Aboriginal Albertans is a measure of the government's success in attracting and retaining Aboriginal learners in the post-secondary system.

- In 2008, 42% of Aboriginal Albertans aged 25-64 completed post-secondary education, falling short of meeting the 45% target.
- Over the past five years, the completion rate for Aboriginal Albertans has remained relatively stable.
- Advanced Education and Technology is continuing its support of Aboriginal colleges and enhancing quality post-secondary opportunities for Aboriginal Albertans through expanded access and transfer agreements.

Notes

- See Endnote C (p. 159) re Statistics Canada's Labour Force Survey.

Outcome ***Alberta is recognized globally as a destination of choice for international students, faculty, and researchers***

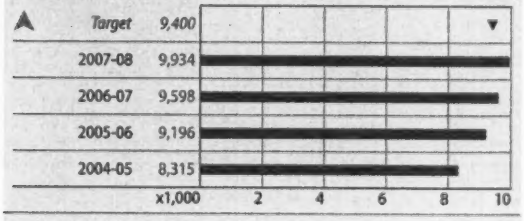
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategy:

- Implement the international education action plan to facilitate the internationalization of Alberta's advanced learning system and enhance opportunities for Alberta students to engage in international education experiences.

Performance Measure **Reviewed by Auditor General**

International Visa Students Registered at Alberta Post-Secondary Institutions



Source: Alberta Advanced Education and Technology

International Visa Students

The number of international visa students participating in publicly-funded post-secondary programs in Alberta is an indicator of the Ministry's success in attracting learners to the province.

- The target of 9,400 international visa students was exceeded in 2007-08, as Alberta's publicly-funded post-secondary institutions attracted a total of 9,934 international visa students to the advanced learning system.
- Alberta's reputation for high quality advanced learning opportunities, as well as international recruitment activities by the post-secondary institutions and Advanced Education and Technology, have contributed to the increasing participation of international learners.

Notes

- Does not include students attending the Banff Centre since they are not included in the Learner Enrolment Reporting System.
- International students enrolled at Athabasca University are excluded since programming at this institution is delivered through distance education technology. International students are generally not physically located in Canada and would not be required to have a visa to study at Athabasca University.
- See Endnote D (p. 160) re Learner Enrolment Reporting System.
- See Endnote E (p. 160) re international visa students registered at post-secondary institutions.

Goal 2 *Albertans are able to participate fully in lifelong learning*

Outcome ***Credentials, prior learning, skills, and experience are valued and recognized***

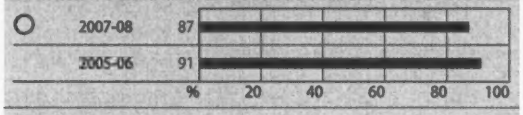
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategies:

- Work with institutions, employers and professional associations to encourage the recognition of credentials, competencies, prior learning, and work experience of current and prospective Albertans.
- Through the Campus Alberta Quality Council, work with other quality assurance agencies, post-secondary institutions, and other stakeholders to enhance the recognition of Alberta's degree programs and graduates.

Performance Measure

Percentage of Post-Secondary Graduates with Prior Learning who Reported that they had Received the Transfer Credit they Expected



Source: Alberta Advanced Education and Technology

Transfer Credit

The proportion of graduates who received the transfer credit they expected is an indicator of the system's ability to recognize and value prior learning and skills and enable learners to achieve desired outcomes.

- A large majority (87%) of 2007-08 graduates surveyed received the transfer credit they expected.
- The 2005-06 and 2007-08 percentages indicate high levels of flexibility in accommodating learner needs.
- The Alberta Council on Admissions and Transfer continues to work with institutions to encourage and promote collaborative transfer agreements between Alberta post-secondary programs and institutions.

Notes

- Biennial survey conducted two years after graduation, next conducted in 2009-10.
- See Endnote A (p. 157) re surveys conducted by an external contractor.
- See Endnote B (p. 159) re the use of confidence intervals to interpret results.
- See Endnote J (p. 162) re graduates who received the transfer credit they expected.

Goal 2 *Albertans are able to participate fully in lifelong learning*

Outcome ***Graduates achieve positive learning outcomes***

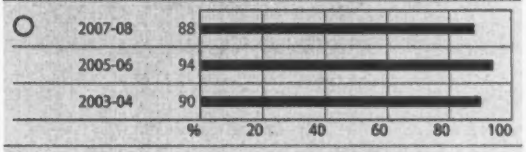
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategy:

- Work with Employment, Immigration and Industry to implement the *Building and Educating Tomorrow's Workforce* strategy.

Performance Measure

Employer Satisfaction with the Skills and Quality of Work of Advanced Education System Graduates



Source: Alberta Advanced Education and Technology and Alberta Education

Employer Satisfaction

Employers of post-secondary graduates were asked to rate their overall satisfaction with the graduates they currently employ.

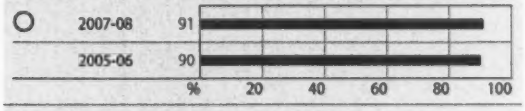
- In 2007-08, employer satisfaction with advanced education graduates was 88%.
- Advanced Education and Technology continues to undertake strategies to create quality advanced learning opportunities for Albertans to increase the employability of graduates and to meet the needs of the workforce.
- The variance in employer satisfaction from each survey year may be more indicative of economic and labour market conditions at that time rather than the quality of the advanced learning system; therefore, the survey has been discontinued. Alternative performance measures of graduate learning outcomes are under investigation.

Notes

- There is no new data is available for 2008-09. The Employer Satisfaction Survey has been discontinued.
- See Endnote A (p. 157) re surveys conducted by external contractor.
- See Endnote B (p. 159) re the use of confidence intervals to interpret results.

Performance Measure

Satisfaction of Recent Post-Secondary Graduates with the Overall Quality of their Educational Experience



Source: Alberta Advanced Education and Technology

Satisfaction of Post-Secondary Graduates with their Education

Graduates' satisfaction with the quality of their education is an indicator of how well the post-secondary system is meeting learner needs. Quality education is important for equipping learners with the skills and knowledge to succeed in the labour market.

- In 2007-08, 91% of graduates reported being satisfied with the quality of educational experience.
- The Ministry continues to work with institutions to ensure high quality learning opportunities are available to learners.

Notes

- Biennial survey conducted two years after graduation, next conducted in 2009-10.
- See Endnote A (p. 157) re surveys conducted by external contractor.
- See Endnote B (p. 159) re the use of confidence intervals to interpret results.

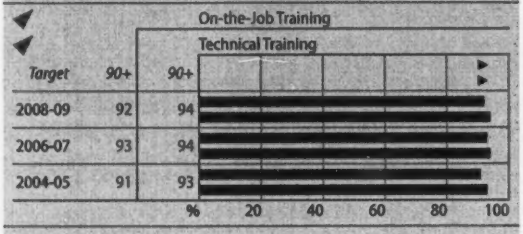
Goal 2 ***Albertans are able to participate fully in lifelong learning***

Outcome ***Graduates achieve positive learning outcomes***

Performance Measure **Reviewed by Auditor General**

Satisfaction of Recent Apprenticeship Graduates with On-the-Job Training

Satisfaction of Recent Apprenticeship Graduates with Technical Training



Source: Alberta Advanced Education and Technology

Satisfaction of Recent Apprenticeship Graduates

Satisfaction of recent apprenticeship graduates with on-the-job and technical training continues to be high. The targets of 90%+ were met.

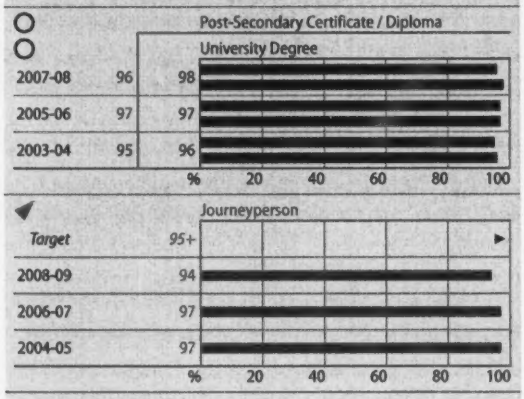
- In 2008-09, the majority of recent apprenticeship graduates were satisfied or very satisfied with their on-the-job training (92%) and technical training (94%).
- The high percentage of satisfied apprenticeship graduates is indicative of a quality apprenticeship and industry training system.

Notes

- Biennial survey conducted 8-20 months after graduation, next conducted in 2010-11.
- See Endnote A (p. 157) re surveys conducted by an external contractor.
- See Endnote B (p. 159) re the use of confidence intervals to interpret results.

Performance Measure

Employment Rate of Recent Alberta Advanced Education Graduates



Source: Alberta Advanced Education and Technology

Employment Rate of Advanced Education Graduates

- In 2007-08, two years after graduation, 96% of certificate or diploma graduates and 98% of university graduates were employed. In 2008-09, 8 to 20 months after completing an apprenticeship program, 94% of journeypersons in the labour force were employed, meeting the target.
- The high levels of employment are indicative of the high demand for skilled and knowledgeable workers. It also suggests that high quality advanced education opportunities enhance graduates' employability in the workplace.
- Quality education is important to the government as it prepares individuals for the workforce.

Notes

- A target is considered met if the result is within 5% of the target value.
- Two biennial surveys, conducted every other year. Next survey of certificate or diploma graduates and university graduates conducted in 2010-11.
- See Endnote A (p. 157) re surveys conducted by an external contractor.
- See Endnote B (p. 159) re the use of confidence intervals to interpret results.

Goal 2 — A Learner-Centred System Accessible to All Albertans

Results at a Glance

▲ Target exceeded
◀ Target met
✕ Target not met
○ N/A, no target set

Outcomes / Performance Measures		Previous Years' Results				Current Results	2008-09 Targets
A broad array of learning opportunities is available within local communities.							
Public agreement that programs, classes or courses are offered in locations (including online) that are easily accessible		75% 2004-05	77% 2005-06	77% 2006-07	76% 2007-08	74% 2008-09	78% ✕
Albertans participate in the advanced learning system							
High school to post-secondary transition rate (within six years of entering Grade 10)		54.4% 2003-04	57.5% 2004-05	59.5% 2005-06	60.3% 2006-07	60.7% 2007-08	61% ◀
Proportion of Albertans aged 18-34 participating in post-secondary education		19% 2004	19% 2005	18% 2006	17% 2007	16% 2008	19% ✕
New apprentices registered (5-year average)		12,570 2004	13,886 2005	15,879 2006	17,804 2007	19,986 2008	16,100 ▲
Aboriginal learners participating at post-secondary institutions		— 2003-04	6,386 2004-05	7,562 2005-06	7,673 2006-07	7,677 2007-08	7,700 ◀
Aboriginal Albertans participating in apprenticeship		— 2004	1,137 2005	1,262 2006	1,505 2007	1,812 2008	1,400 ▲
Educational attainment of Albertans aged 25 to 64: Proportion completing post-secondary education		56% 2004	58% 2005	58% 2006	59% 2007	60% 2008	60% ◀
Educational attainment of Aboriginal Albertans aged 25 to 64: Proportion having completed post-secondary education		43% 2004	44% 2005	43% 2006	45% 2007	42% 2008	45% ✕
Alberta is globally recognized as a destination of choice for international students, faculty, and researchers							
International visa students registered at Alberta post-secondary institutions		— 2003-04	8,315 2004-05	9,196 2005-06	9,598 2006-07	9,934 2007-08	9,400 ▲
Credentials, prior learning, skills, and experience are valued and recognized							
Percentage of post-secondary graduates with prior learning who reported that they had received the transfer credit they expected		— 2004-05	91% 2005-06	— 2006-07	87% 2007-08	— 2008-09	— ○
Graduates achieve positive learning outcomes							
Employer satisfaction with the skills and quality of work of advanced education system graduates		— 2004-05	94% 2005-06	— 2006-07	88% 2007-08	— 2008-09	— ○
Satisfaction of recent post-secondary graduates with the overall quality of their educational experience		— 2004-05	90% 2005-06	— 2006-07	91% 2007-08	— 2008-09	— ○
Satisfaction of recent apprenticeship graduates with:	On-the-Job Training	91% 2004-05	— 2005-06	93% 2006-07	— 2007-08	92% 2008-09	90%+ ◀
	Technical Training	93% 2004-05	— 2005-06	94% 2006-07	— 2007-08	94% 2008-09	90%+ ◀
Employment rate of recent Alberta advanced education graduates	College, Private University College and Technical Institute Graduates	— 2004-05	97% 2005-06	— 2006-07	96% 2007-08	— 2008-09	— ○
	University Graduates	— 2004-05	97% 2005-06	— 2006-07	98% 2007-08	— 2008-09	— ○
	Journeypersons	97% 2004-05	— 2005-06	97% 2006-07	— 2007-08	94% 2008-09	95%+ ◀

Goal 2 *A Learner-Centred System Accessible to All Albertans*

Discussion of Results

Goal 2 focused on ensuring Albertans are able to participate fully in lifelong learning. Government supports learners from a variety of communities who want to participate in high quality, accessible and affordable advanced learning opportunities.

Advanced Education and Technology is committed to increasing accessibility by providing learning opportunities in many communities to meet the diverse needs of learners. With this in mind, $24 million was provided in support of community-based adult learning to increase access to literacy and lifelong learning programs and services for adult learners.

Promoting lifelong learning in the province enhances the opportunities for Albertans to develop and apply the skills that will foster Alberta's success in a knowledge-driven future. To further develop highly skilled and qualified people, the Ministry invested $37 million in support of the Apprenticeship and Industry Training system to encourage participation, learner achievement, and industry engagement.

Partnerships are an essential component of Alberta's advanced learning system. The Ministry's long-standing partnerships with post-secondary institutions, industry, and the Alberta Apprenticeship and Industry Training Board continue to be strong with high levels of satisfaction among both graduates and employers. These partnerships need to continue to remain innovative and collaborative to respond to learner and labour market demand and ensure long-term prosperity in the province.

High quality education is important to provide learners with the right skills and knowledge to help them succeed in the labour market. With respect to quality of advanced learning opportunities, the results achieved were strong with 91% of recent post-secondary institution graduates being satisfied with their post-secondary education. As well, 94% of apprenticeship graduates were satisfied with their technical training and 92% were satisfied with their on-the-job training.

Government is committed to ensuring that Alberta is globally recognized for its excellence and that Albertans are prepared for their role in the global marketplace.

In 2007-08, over 9,900 international visa students attended publicly funded post-secondary institutions – exceeding the target by over 500 students. The Ministry also provided increased opportunities for Alberta's post-secondary students to participate in study abroad initiatives and international internships. Both hosting international students at our post-secondary institutions and providing our students with international study opportunities help to position our province for success in a competitive, globalized world.

The Ministry made significant investments and continues to implement several initiatives to improve the accessibility and quality of the advanced learning system. Participation rates across the advanced learning system continue to be a challenge despite significant Ministry efforts to foster a culture of learning. Low participation rates impede our ability to ensure skilled and highly qualified people are in place to support our long-term growth and prosperity. This continues to be a hurdle for the Ministry as we move the province forward towards success in a knowledge-based economy. Participation is driven by the affordability, accessibility and quality of the advanced learning system, but it is also a function of the responsiveness of the system to the increasingly diverse needs of learners and an individual's awareness of the importance and long-term value of learning. These will be key areas of focus for the Ministry in the future as we manage the impacts of current economic conditions on the learner, industry and society, while ensuring a collaborative, sustainable and responsive advanced learning system in the long term.

Core Business 2 *Foster a Culture of Learning that Develops Highly Skilled and Qualified People*

Goal 3 ## *Alberta has an affordable advanced learning system*

Outcome ### *Financial need is not a barrier to participating in the advanced learning system*

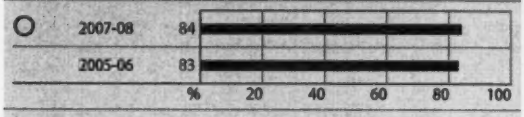
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategies:

- Continue implementation of the Affordability Framework to ensure that financial need is not a barrier to participation in advanced learning opportunities.
- Target scholarships, bursaries, and grants to increase participation by under-represented Albertans.
- Work with the federal government and other provincial jurisdictions through Pan-Canadian committees to improve and simplify student assistance programs to ensure appropriate financial supports to adult learners.
- Enhance access to student financial assistance through simplified materials, technology, policies and support services.

Performance Measure

Proportion of Graduates who Agree that the Program they Graduated from was Worth the Financial Cost



Source: Alberta Advanced Education and Technology

Affordability of the Advanced Learning System

Graduates' agreement that their program was worth the financial cost is an indicator of graduates' satisfaction with the affordability and quality of the advanced education system.

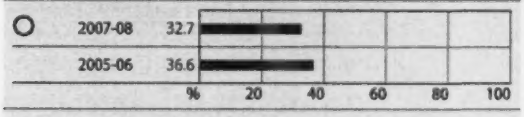
- Providing access to high quality and affordable post-secondary programs continues to be a priority of Advanced Education and Technology. By implementing initiatives of the Affordability Framework, the Ministry is enabling learners with the financial assistance and planning tools to help them achieve success in their post-secondary careers.
- In 2007-08, 84% of graduates agreed that the program they graduated from was worth the financial cost.

Notes

- Biennial survey conducted two years after graduation, next conducted in 2009-10.
- See Endnote A (p. 157) re surveys conducted by an external contractor.
- See Endnote K (p. 162) re program was worth the financial cost.

Performance Measure

Ratio of Total Debt at Graduation to Income Two Years after Graduation



Source: Alberta Advanced Education and Technology

Ratio of Debt to Income

The ratio of debt at graduation to income two years after graduation is a measure of the ability of learners to repay debts incurred based on income earned after graduation.

- In 2007-08, the ratio of debt to income was 33%. For this measure, a lower percentage indicates success in meeting the desired outcome of less debt to income for learners upon exiting the system.
- Cost is a factor affecting participation in post-secondary education. In order to lessen the financial burden on students, Advanced Education and Technology has collaborated with the federal government and other jurisdictions through pan-Canadian committees to improve and simplify student assistance programs to ensure appropriate financial supports to adult learners.

Notes

- Biennial survey, next conducted in 2009-10.
- See Endnote A (p. 157) re surveys conducted by an external contractor.
- See Endnote M (p. 162) re ratio of debt at graduation to income two years after.

Goal 3 *Alberta has an affordable advanced learning system*

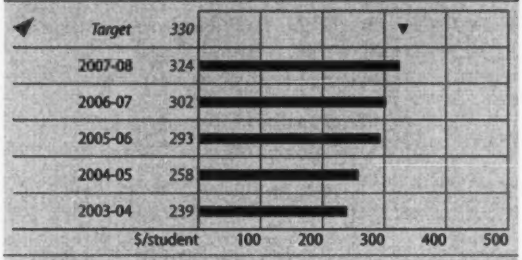
Outcome ***Excellence is rewarded through scholarships and awards***

Strategies In support of the above outcome, Advanced Education and Technology adopted the following strategy:

- Ensure scholarship programs reward the excellence of Alberta students.

Performance Measure **Reviewed by Auditor General**

Scholarship Dollars per Full-time Student Studying in Alberta



Source: Alberta Advanced Education and Technology

Scholarship Dollars per Full-time Student

Increases in post-secondary scholarship funding over time attests to the Ministry's commitment to quality, innovation and excellence.

- In 2007-08, the amount of scholarship dollars per full-time student studying in Alberta was $324, meeting the target.
- The province's commitment to investing in the Alberta Heritage Scholarship Fund has resulted in more scholarship dollars per student than in previous years.
- Advanced Education and Technology supports initiatives to reduce financial barriers to post-secondary education including increasing the amount of Alexander Rutherford Scholarships awarded, providing scholarships for studies in nanotechnology and implementing changes to the Persons Case Scholarship to reward participation by students studying in non-traditional areas.

Notes

- A target is considered met if the result is within 5% of the target value.
- See Endnote A (p. 157) re surveys conducted by an external contractor.
- See Endnote D (p. 160) re Learner Enrolment Reporting System.
- See Endnote N (p. 163) re scholarship dollars per full-time student.

Goal 3 — *Alberta has an affordable advanced learning system*

Results at a Glance

▲ *Target exceeded*
◀ *Target met*
✕ *Target not met*
○ *N/A, no target set*

Outcomes / Performance Measures	Previous Years' Results				Current Results	*2008-09 Targets*
Financial need is not a barrier to participating in the advanced learning system						
Proportion of graduates who agree that the program they graduated from was worth the financial cost	— 2004-05	83% 2005-06	— 2006-07	84% 2007-08	— 2008-09	— ○
Ratio of total debt at graduation to income two years after graduation	— 2004-05	36.6% 2005-06	— 2006-07	32.7% 2007-08	— 2008-09	— ○
Excellence is rewarded through scholarships and awards						
Scholarship dollars per full-time student studying in Alberta	239 2003-04	258 2004-05	293 2005-06	302 2006-07	324 2007-08	*330* ◀

Discussion of Results

Goal 3 focused on an affordable advanced learning system in Alberta. A key aspect of enhancing accessibility is maintaining an affordable advanced learning system responsive to the diverse needs of learners. In order to foster a culture of learning in Alberta, Government remains committed to ensuring that affordability of post-secondary education in not a barrier to participation in lifelong learning. As part of the Affordability Framework, the Ministry continued to implement significant changes to the student financial assistance program to help ensure students are appropriately supported throughout the learning process. This included increasing living allowances by 5%, increasing the annual loan limits to $13,300 per year, increasing the part-time earnings exemption to $800 per month, removing restrictions on scholarship income, and reducing the variable interest rate on Alberta direct student loans to the prime lending rate and the fixed rate to prime plus 2%.

The Ministry's commitment towards ensuring an affordable advanced learning system was also reflected in a $70 million investment in scholarships, the most ever, recognizing the achievement of student excellence throughout the learning process. To further lessen the financial burden on students, the Ministry continued to collaborate with the federal government and provincial/territorial partners across Canada to simplify and improve student assistance programs to ensure financial resources and supports are easily accessible.

The Ministry has undertaken several initiatives and made significant investments to improve the affordability of the advanced learning system. These efforts contribute to meeting our expected outcomes as most Albertans agree that they can access the education or training that they want and they are getting good value. In 2007-08, 84% of 2005-06 graduates agreed that the program they graduated from was worth the financial cost. The amount of scholarship dollars per full-time student studying in Alberta also continues to increase.

Long-term sustainability of Alberta's student financial assistance program is a key component to ensuring that Albertans do not face affordability barriers to access a post-secondary education, and that they experience successful learning outcomes. To that end, the Ministry is currently reviewing Alberta's student financial assistance program to identify potential opportunities to streamline processes and to ensure the supports in place are responsive to the diverse needs of learners across the province.

Core Business 3

Support Research and its Application and Commercialization to Grow a More Diverse Alberta Economy

Expenses

In 2008-09, the Ministry provided $227 million for Core Business 3 in support of the following goals:

Alberta's research capacity supports enhanced excellence in research and innovation in strategic areas

- $28 million in funding for energy research and technology in six key areas (bitumen upgrading, clean carbon/coal, improved recovery, renewable energy, CO2 and emissions, and water use).
- $19 million in support of programs in life sciences, including $9 million for forestry research initiatives.
- $31 million to increase research capacity, including $9 million in funding for nanotechnology.
- $11 million in research grants through iCORE.
- $5 million to fund projects under the Innovation and Service Excellence program.

Value is captured from research and innovation

- $77 million in expenses by Alberta Research Council Inc., including $47 million for contract research and development services funded by the private sector and other external customers.
- $31 million to fund technology commercialization projects, including $10 million to expand the IVAC Capacity Builder Program for pre-commercial and seed stage technology.

Goal 4

Alberta's research capacity supports enhanced excellence in research and innovation in strategic areas

Outcome

Focused areas of research excellence where Alberta has a competitive advantage

Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategies:

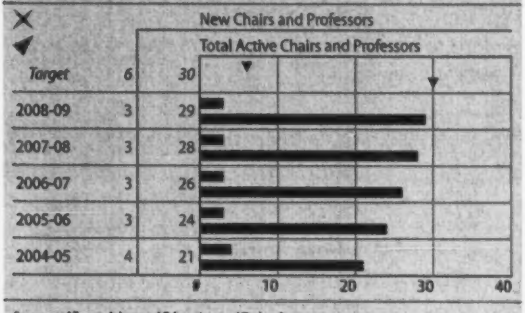
- Promote advanced energy technology and innovation in six core areas: bitumen upgrading, clean carbon/coal, improved recovery, renewable energy, CO_2 management and water management.
- Implement the life sciences strategy by focusing on innovations in agriculture, forestry, food, health and the environment.
- Support the implementation of the Alberta Nanotechnology Strategy and the creation of nanoAlberta as the key organization to drive Alberta's nanotechnology agenda.
- Implement the information and communications technology strategy and support an environment that fosters research and industry development in strategic areas: focusing on core competencies that support integrated resource management; enhancing research capacity in information and communications technology; and creating a sustainable infrastructure.
- Develop expertise in applied research and product development in our colleges and technical institutes that addresses local company needs.
- Align efforts and investments within the Ministry towards strategic research priorities.
- Promote science and technology awareness within Alberta, including encouraging youth to enter careers in science and technology.
- Develop, attract and retain highly qualified scientific personnel at Alberta's research institutions and organizations.
- Develop a framework to support the emergence of centres of excellence and ensure alignment of investments with provincial priorities and capacity.

Goal 4 *Alberta's research capacity supports enhanced excellence in research and innovation in strategic areas*

Outcome *Focused areas of research excellence where Alberta has a competitive advantage*

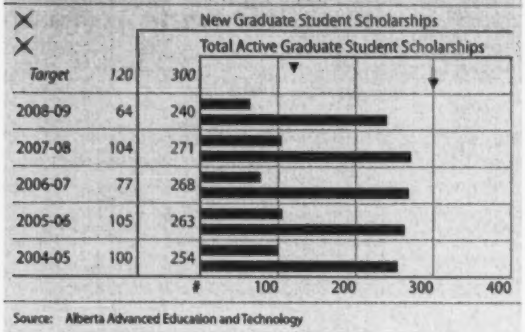
Performance Measure

iCORE Research Chairs, Industry Chairs and Professors
(Total includes New)



Source: Alberta Advanced Education and Technology

iCORE Graduate Student Scholarships
(Total includes New)



Source: Alberta Advanced Education and Technology

iCORE Awards

iCORE's primary function is to attract, retain, educate and support exceptional Information and Communications Technology (ICT) researchers and students. Increasing the number of world-class researchers is important to fostering excellence in ICT research and technology development.

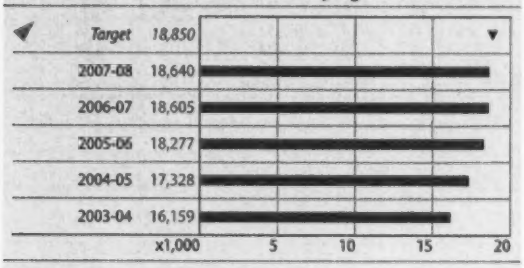
- In 2008-09, three new research chairs, industry chairs and professors were supported by iCORE; however, the target of six was not met as no increase to base grants was available. This brought the total of active research chairs, industry chairs and professors supported by iCORE to 29, meeting the target.
- Sixty-four new graduate student scholarships were awarded, and there were 240 total active graduate student scholarship recipients in 2008-09. The targets were not met due to a change in the award allocation process in 2008-09 that increased the average award amount per student, but resulted in fewer scholarships being awarded.
- iCORE awards are important to building research capacity and capabilities in the ICT sector in Alberta.

Notes

- A target is considered met if the result falls within 5% of the target value.
- See Endnote V (p. 165) re iCORE awards.

Performance Measure **Reviewed by Auditor General**

Number of Graduate Students Studying in Alberta



Source: Alberta Advanced Education and Technology

Graduate Students Studying in Alberta

Students participating in graduate level courses do innovative work and contribute greatly to the research capacity of the province.

- In 2007-08, 18,640 graduate students were studying at Alberta's publicly-funded institutions, meeting the target.
- Advanced Education and Technology continues to work with institutions to create more graduate-level spaces, and provide financial assistance to learners pursuing graduate degree programs.

Notes

- A target is considered met if the result is within 5% of the target value.
- 2004-05 and 2005-06 data have been restated from the data reported in the 2006-07 Annual Report to capture all graduate students, including learners who are enrolled in post degree certificate and diploma programs containing courses that are equivalent to those offered in masters and doctoral programs.
- See Endnote D (p. 160) re Learner Enrolment Reporting System.
- See Endnote U (p. 165) re graduate students studying in Alberta.

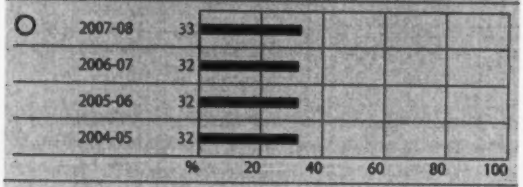
▲ *Target exceeded* | ✓ *Target met* | ✗ *Target not met* | ○ *N/A, no target set*

Goal 4 *Alberta's research capacity supports enhanced excellence in research and innovation in strategic areas*

Outcome *Focused areas of research excellence where Alberta has a competitive advantage*

Performance Measure

Proportion of Graduate Students in the Priority Areas of Energy, Life Sciences, Nanotechnology and Information and Communications Technology



Source: Alberta Advanced Education and Technology

Graduate Students in Priority Areas

The proportion of graduate students studying in the priority areas is a new measure. Targets have been set in the 2009-12 Business Plan.

- In 2007-08, the proportion of graduate students studying in the priority areas of energy, life sciences, nanotechnology and information and communications technology was 33%.
- From 2006-07 to 2007-08, the number of graduate students in priority areas grew by 245.

Notes

- See Endnote D (p. 160) re Learner Enrollment Reporting System.
- See Endnote U (p. 165) re graduate students studying in Alberta.

Goal 4 — *Alberta's research capacity supports enhanced excellence in research and innovation in strategic areas*

Results at a Glance

▲ *Target exceeded*
◀ *Target met*
✕ *Target not met*
○ *N/A, no target set*

Outcomes / Performance Measures		Previous Years' Results				Current Results	*2008-09 Targets*
Focused areas of research excellence where Alberta has a competitive advantage							
iCORE awards	New Research Chairs, Industry Chairs and Professors	4 (2004-05)	3 (2005-06)	3 (2006-07)	3 (2007-08)	3 (2008-09)	*6* ✕
	Total Active Research Chairs, Industry Chairs and Professors	21 (2004-05)	24 (2005-06)	26 (2006-07)	28 (2007-08)	29 (2008-09)	*30* ◀
	New Graduate Student Scholarships	100 (2004-05)	105 (2005-06)	77 (2006-07)	104 (2007-08)	64 (2008-09)	*120* ✕
	Total Active Graduate Student Scholarships	254 (2004-05)	263 (2005-06)	268 (2006-07)	271 (2007-08)	240 (2008-09)	*300* ✕
Number of graduate students studying in Alberta		16,159 (2003-04)	17,328 (2004-05)	18,277 (2005-06)	18,605 (2006-07)	18,640 (2007-08)	*18,850* ◀
Proportion of Graduate Students in the Priority Areas of Energy, Life Sciences, Nanotechnology and Information and Communications Technology		— (2003-04)	32% (2004-05)	32% (2005-06)	32% (2006-07)	33% (2007-08)	— ○

Discussion of Results

Goal 4 focused on building research and innovation capacity in key areas at Alberta's universities, colleges and technical institutes and other research agencies. Government's commitment to supporting scientific excellence and its focus on Alberta's strategic research priorities will ensure that increased capacity is achieved in areas of energy, life sciences (agriculture, forestry and health), information and communications technology and nanotechnology. Government's dedication to building Alberta's research and innovation capacity is demonstrated by its funding support of $28 million for energy research and technology, $19 million for life sciences and $31 million to increase research capacity including $9 million in funding for nanotechnology.

Developing, attracting and retaining high quality people with scientific, technical and entrepreneurial skills is vital to an innovative, knowledge-based economy. The number of graduate students studying in Alberta increased to 18,640 in 2007-08. The proportion of graduate students studying in the four priority areas was 33%, an increase of 245 graduate students from the previous year. To ensure the province has the highly skilled and innovative people in place to thrive in a knowledge-based world, the province continues to promote Alberta as a destination of choice for graduate studies.

Alberta's post-secondary system continued to attract sponsored research revenue and increase the number of graduate students in 2008-09. The quality, resiliency and sustainable strength of Alberta's advanced learning system, along with the research and innovation system are key to establishing Alberta as an innovative province on a global scale. To further secure our long-term success in a knowledge-driven future, the Ministry developed the *Roles and Mandates Framework for Alberta's Provincially Funded Research and Innovation System* to position the Alberta research and innovation system strategically to contribute to a diversified and sustainable economy. The new and reorganized research and innovation system will be better aligned to help establish the province globally as a destination of choice for collaboration in key areas of research and innovation, including bringing technology to market, energy and environment health, and bioindustries. By collaboratively developing highly skilled people, generating new ideas, translating research into commercial opportunities and encouraging business development, we are strengthening Alberta's research and innovation system to ensure the province's long-term success in a highly competitive domestic and global environment.

Core Business 3 ***Support Research and its Application and Commercialization to Grow a More Diverse Alberta Economy***

Goal 5 **Value is captured from research and innovation**

Outcome ***An innovative province***

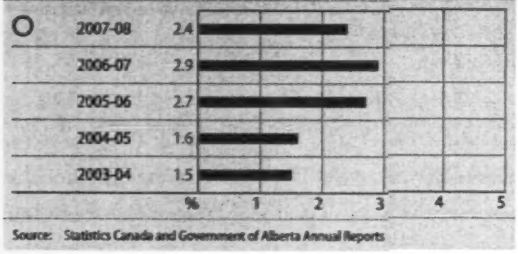
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategies:

- In alignment with government priorities, collaborate with various partners to accelerate innovation and commercialization in Alberta by enhancing the technology and business development environment for entrepreneurs.
- Work with post-secondary institutions, research foundations, industry associations, communities, and other areas of government to enhance the competitiveness of Alberta's business environment with respect to encouraging technology commercialization and adoption.
- Develop partnerships between communities, industry and institutions for technology creation and transfer.
- Develop, attract and retain skilled and highly qualified entrepreneurs.
- Increase business investments in key strategic sectors which lead to greater technology commercialization in Alberta.

Performance Measure

Percentage of Government of Alberta Expense used to Support Innovation



Source: Statistics Canada and Government of Alberta Annual Reports

Government of Alberta Expense used to Support Innovation

The percentage of Government of Alberta expense used to support innovation illustrates the financial commitment the province has made to the formation of a supportive and competitive environment in which innovation can flourish.

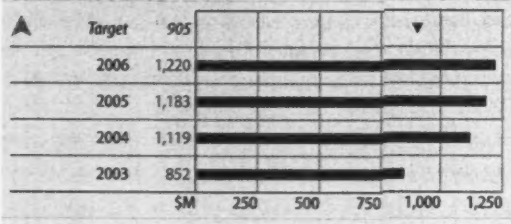
- In 2007-08, the Alberta government spent 2.4% of its total expense budget on innovative research and initiatives. This result does not show progress towards the 2015 target of 5%.
- The new *Alberta Research and Innovation Act* will promote and provide for the strategic and effective use of funding and other resources to meet the research and innovation priorities of the Government of Alberta.

Notes

- See Endnote O (p. 163) re Government of Alberta expense used to support innovation.

Performance Measure **Reviewed by Auditor General**

Alberta Business Expenditures on Research and Development ($ million)



Source: Statistics Canada

Alberta Business Expenditures on Research and Development

Business expenditure on research and development is a measure of the Ministry's progress towards creating an environment that fosters growth in technology and innovation.

- In 2006, business expenditure on research was $1,220 million, exceeding the target of $905 million.
- Investments in research result in innovative ideas, products and processes that have the potential to yield significant economic and social benefits for the province.
- Advanced Education and Technology continued to assist company creation and growth by partnering in industry-driven research and development initiatives and delivering support programs under Alberta's Action Plan: *Bringing Technology to Market.*

Notes

- Provincial data is reported for two years previous. 2006 data was released in 2009.
- Historical data (2002-2005) has been revised by Statistics Canada to reflect new data available on business expenditures on research and development in Alberta.
- See Endnote R (p. 164) re business expenditure on research and development.

Goal 5 *Value is captured from research and innovation*

Outcome ***A diversified economy through growth of knowledge-based sectors***

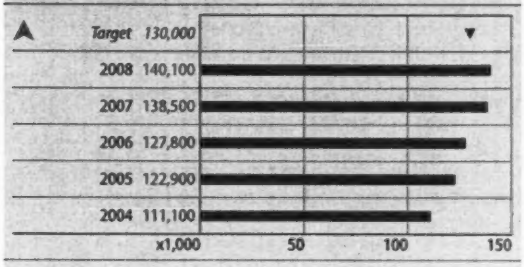
Strategies

In support of the above outcome, Advanced Education and Technology adopted the following strategies:

- Collaborate with partners to foster business opportunities, attract corporate investments and encourage seed and venture funding.
- Foster growth in Alberta's locally managed venture capital industry.
- Increase implementation of innovative initiatives to enhance Government of Alberta service delivery and facilitate the application of new knowledge.

Performance Measure **Reviewed by Auditor General**

Number of Albertans Employed by Companies in Priority Areas



Source: Statistics Canada

Albertans Employed by Companies in Priority Areas

The number of Albertans employed in knowledge-intensive companies provides a measure of growth in Alberta's research and innovation capability.

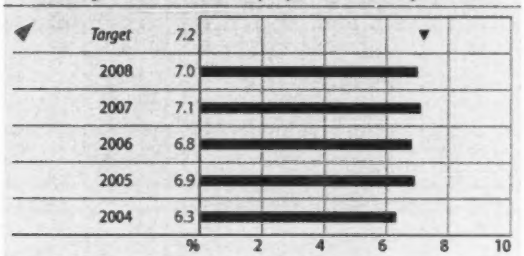
- In 2008, Alberta's high-technology companies employed 140,100 Albertans, exceeding the target. Demand for knowledge-based industries grew resulting in more work and more employees needed.
- As Alberta's Action Plan: *Bringing Technology to Market* is implemented the initiatives will provide greater incentives for investors, researchers and entrepreneurs to continue to turn new ideas into products.

Notes

- See Endnote P (p. 163) re Albertans employed in knowledge-intensive companies.

Performance Measure **Reviewed by Auditor General**

Albertans Employed by Companies in Priority Areas as a Percentage of Albertans Employed in All Companies



Source: Statistics Canada

Proportion of Albertans Employed by Companies in Priority Areas

The proportion of Albertans employed in knowledge-intensive companies is an indicator of the size of the knowledge-based sector in Alberta.

- In 2008, 7% of the Alberta workforce was employed with knowledge-intensive companies, meeting the target. The growth in traditional oil and gas sectors outperformed emerging technology sectors accounting for the slight decrease from 7.1% in 2007 to 7.0% in 2008.
- As Alberta's Action Plan: *Bringing Technology to Market* is implemented the initiatives will provide greater incentives for investors, researchers and entrepreneurs to continue to turn new ideas into products.

Notes

- A target is considered met if it falls within 5% of the target value.
- See Endnote P (p. 163) re Albertans employed in knowledge-intensive companies.

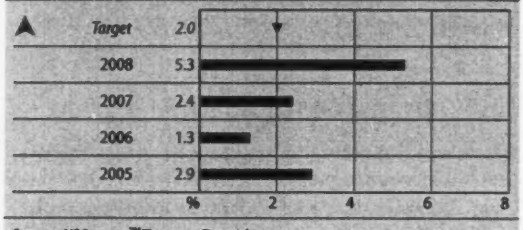
▲ *Target exceeded* | ◀ *Target met* | ✕ *Target not met* | ○ *N/A, no target set*

Goal 5 ***Value is captured from research and innovation***

Outcome ***A diversified economy through growth of knowledge-based sectors***

Performance Measure

Percentage of Canadian Venture Capital Invested in Alberta's Strategic Priority Areas



Source: VC Reporter,™ Thompson Financial

Canadian Venture Capital Invested in Alberta's Strategic Priority Areas

The percentage of Canadian venture capital for early-stage projects invested in Alberta is a measure of the impact of the Ministry's activities aimed at attracting and facilitating access to venture capital in the province.

- In 2008, 5.3% of Canadian venture capital was invested in Alberta, surpassing the target.
- The increase in results is due in part to Alberta's strong economic position in the market in 2008 which pushed up Alberta's relative share of total venture capital investments. As well, the increase may be partly attributable to Alberta's strong knowledge-based industries attracting venture capital to the province.

Notes

- See Endnote Q (p. 164) re Canadian venture capital invested in Alberta.

Goal 5 — *Value is captured from research and innovation*

Results at a Glance

▲ *Target exceeded*
◀ *Target met*
✕ *Target not met*
○ *N/A, no target set*

Outcomes / Performance Measures	Previous Years' Results				Current Results	2008-09 Targets
An innovative province						
Percentage of Government of Alberta expense used to support innovation	1.5% (2003-04)	1.6% (2004-05)	2.7% (2005-06)	2.9% (2006-07)	2.4% (2007-08)	— ○
Alberta business expenditures on research and development ($ million)	— (2002)	852 (2003)	1,119 (2004)	1,183 (2005)	1,220 (2006)	905 ▲
A diversified economy through growth of knowledge-based sectors						
Number of Albertans employed by companies in priority areas	111,100 (2004)	122,900 (2005)	127,800 (2006)	138,500 (2007)	140,100 (2008)	130,000 ▲
Albertans employed by companies in priority areas as a percentage of Albertans employed in all companies	6.3% (2004)	6.9% (2005)	6.8% (2006)	7.1% (2007)	7.0% (2008)	7.2% ◀
Percentage of Canadian venture capital invested in Alberta's strategic priority areas	— (2004)	2.9% (2005)	1.3% (2006)	2.4% (2007)	5.3% (2008)	2.0% ▲

Discussion of Results

Goal 5 focused on capturing value from research and innovation. Strategic investments in research and development result in innovative ideas, products and processes that, when commercialized successfully for the global market place, have the potential to yield significant economic and social benefits for the province.

Government is committed to help Alberta become a place of choice for commercialization in priority areas and encourages innovation, excellence and competition on a global scale. With this in mind, $31 million was invested to fund technology commercialization projects, including $10 million to expand the IVAC Capacity Builder Program for pre-commercial and seed stage technology.

Building and developing knowledge-based companies is important to Alberta's ongoing success in the new global economy. To move Alberta towards becoming a more innovative province, the Ministry released Alberta's Action Plan: *Bringing Technology to Market* with $178 million in funding to assist Alberta in becoming one of the world's preferred destinations to turn ideas into products and services by building a community of researchers, mentors, investors and businesspeople that can support and encourage technology to be brought to market. The action plan builds on our strength in advanced technology sectors with a wide range of coordinated initiatives to provide a supportive environment for companies to grow and become successful in world markets.

Alberta's venture capital market is growing. In 2008, Alberta knowledge-based companies attracted 5.3% of the total venture capital invested in Canada in the strategic priority areas of energy, information and communications technology and life sciences, a significant increase from the 2.4% invested in 2007. This increase may be attributed to our strength in knowledge-based industries as well as Alberta's strong economic position in the market in 2008. To further attract and strengthen venture capital in Alberta, the Alberta Enterprise Corporation was established with $100 million in funding to make investments as a limited partner in venture capital funds focused on priority knowledge-based industry sectors.

Business expenditures on research and development are increasing and the number of Albertans employed in knowledge-based companies continues to grow. However, Alberta's economy remains largely based on non-renewable natural resources and price-driven export revenue which leaves the province vulnerable to global shifts in demand and commodity prices. To ensure the province's long-term success and sustainability, the Ministry, in partnership with stakeholders, will work towards identifying focused priority industries where Alberta has a competitive advantage to attract investments in research, innovation and commercialization to diversify our economy and drive Alberta's future success.

Ministry of Advanced Education and Technology

Ministry of Advanced Education and Technology

Consolidated Financial Statements

March 31, 2009

Audited Information

Auditor's Report

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Consolidated Statement of Financial Position

Consolidated Statement of Cash Flows

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Schedules to the Consolidated Financial Statements

1 *Revenues*

2 *Expenses – Directly Incurred Detailed by Object*

3 *Budget*

4 *Related Party Transactions*

5 *Allocated Costs*

6 *Public Post-Secondary Institutions*

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Advanced Education and Technology as at March 31, 2009 and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

original signed by

Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
June 3, 2009

Consolidated Statement of Operations

(in thousands)

for the year ended March 31, 2009

	2009		2008
	Budget	Actual	Actual
Revenues (Schedule 1)	(Schedule 3)		
Internal Government Transfers	$ 186,723	$ 183,296	$ 175,635
Transfers from Government of Canada	512,017	543,761	378,540
Investment Income	13,550	7,000	11,374
Premiums, Fees and Licenses	9,160	11,100	7,707
(Decrease) Increase in Equity in Public Post-Secondary Institutions (Note 9)	—	(149,452)	50,242
Other Revenue	55,234	54,796	51,167
	776,684	650,501	674,665
Expenses – Directly Incurred (Note 2c and Schedule 2)			
Support for Adult Learning	2,048,153	2,032,626	1,832,009
Support to Post-Secondary Learners	194,417	185,670	152,236
Post-Secondary Facilities Infrastructure	834,557	873,970	900,384
Apprenticeship Delivery	33,115	37,206	31,540
Alberta Centennial Education Savings Plan	17,500	11,201	13,219
Research and Innovation Capacity	91,241	93,070	127,506
Technology Commercialization	42,746	33,214	17,624
Policy and Planning	4,907	4,853	5,666
Ministry Support Services	21,458	26,539	19,916
Access to the Future Fund	47,633	46,538	50,574
Alberta Research Council Inc.	80,708	77,336	71,056
iCORE Inc.	11,306	12,879	12,552
Valuation Adjustment	5	671	243
Ministry Expenses	3,427,746	3,435,773	3,234,525
Loss on Disposal of Tangible Capital Assets	—	(9)	(20)
Write-down of Tangible Capital Assets	—	(2,321)	(552)
Ministry Net Operating Results	$(2,651,062)	$(2,787,602)	$(2,560,432)

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Financial Position

(in thousands)

as at March 31, 2009

	2009	2008
Assets		
Cash (Note 4)	$ 138,181	$ 50,614
Accounts Receivable and Other Assets (Note 5)	35,258	53,690
Loans Receivable (Note 6)	256,334	220,621
Tangible Capital Assets (Note 7)	48,086	47,340
Equity in Public Post-Secondary Institutions (Note 9)	2,594,345	2,470,808
	$ 3,072,204	$ 2,843,073
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	$ 71,711	$ 221,471
Unearned Revenue	15,081	29,650
Deferred Contributions	—	1,435
	86,792	252,556
Net Assets		
Net Assets at Beginning of Year	2,590,517	2,849,589
Adjustment to Opening Net Assets (Note 3)	274,424	(344,100)
Net Operating Results	(2,787,602)	(2,560,432)
Net Financing provided from General Revenues	2,908,073	2,645,460
Net Assets at End of Year	2,985,412	2,590,517
	$ 3,072,204	$ 2,843,073

The accompanying notes and schedules are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(in thousands)

for the year ended March 31, 2009

	2009	2008
Operating Transactions		
Net Operating Results	$(2,787,602)	$(2,560,432)
Non-cash Items included in Net Operating Results		
Decrease (Increase) in Equity in Public Post-Secondary Institutions (Note 9)	149,452	(50,242)
Amortization	5,195	4,562
Provision for Future Cost of Student Loans Issued	45,132	32,716
Valuation Adjustments	671	243
Write-down of Tangible Capital Assets	2,321	552
Adjustment to Tangible Capital Assets	724	—
Loss (Gain) on Disposal of Tangible Capital Assets	9	20
	(2,584,098)	(2,572,581)
Decrease (Increase) in Accounts Receivable	18,432	(24,349)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(149,675)	81,910
Decrease in Unearned Revenue	(14,569)	(29,790)
(Decrease) Increase in Deferred Contributions	—	321
Cash Applied to Operating Transactions	(2,729,910)	(2,544,489)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 7)	(10,045)	(11,712)
Tangible Capital Assets Transferred to Other Ministries	1,038	800
Proceeds from Disposal of Tangible Capital Assets	12	216
Cash Applied to Capital Transactions	(8,995)	(10,696)
Investing Transactions		
Net Change in Loans Receivable	(81,601)	(67,595)
Cash Applied to Investing Transactions	(81,601)	(67,595)
Financing Transactions		
Net Financing Provided from General Revenues	2,908,073	2,645,460
Cash Provided by Financing Transactions	2,908,073	2,645,460
Increase in Cash	87,567	22,680
Cash and Cash Equivalents, Beginning of Year	50,614	27,934
Cash and Cash Equivalents, End of Year	$ 138,181	$ 50,614

The accompanying notes and schedules are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

March 31, 2009

Note 1

Authority and Purpose

The Minister of Advanced Education and Technology has been designated as responsible for various Acts by the *Government Organization Act*, Chapter G-10, revised Statutes of Alberta 2000 and its regulations. Below are the organizations that form the Ministry of Advanced Education and Technology and the authority under which each organization operates.

Organization	*Authority*
Department of Advanced Education and Technology	*Government Organization Act*
Alberta Research Council Inc. including its wholly owned subsidiary C-FER Technologies (1999) Inc.	*Business Corporations Act / Government Organization Act*
iCORE Inc.	*Business Corporations Act / Government Organization Act*
Access to the Future Fund	*Access to the Future Act*
Alberta Enterprise Corporation	*Alberta Enterprise Corporation Act*
Public Post-secondary Institutions (Schedule 6)	*Post-secondary Learning Act*

In support of Alberta's vision, Advanced Education and Technology's purpose is to assist Alberta to be a learning and innovative society.

Note 2

Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the Ministry.

(a) Reporting Entity

The reporting entity is the Ministry of Advanced Education and Technology, for which the Minister of Advanced Education and Technology is accountable. These consolidated financial statements include activities of the Department of Advanced Education and Technology, the Alberta Research Council Inc., the iCORE Inc., Public Post-secondary Institutions, the Access to the Future Fund and the Alberta Enterprise Corporation.

The Minister of Advanced Education and Technology is responsible for legislation pertaining to the Alberta Heritage Foundation for Science and Engineering Research (operating as Alberta Ingenuity) and the Alberta Heritage Foundation for Medical Research, however, the financial statements for these two entities are not consolidated in the Ministry's financial statements. The Ministry Annual Report includes activity information and financial statements for each of these entities.

(b) Method of Consolidation

The accounts of the Department, Alberta Research Council Inc., iCORE Inc., Alberta Enterprise Corporation and the Access to the Future Fund are fully consolidated on a line-by-line basis. Revenue and expense transactions, capital, investing and financing transactions and related asset and liability accounts between these entities have been eliminated.

The accounts of the Public Post-secondary Institutions are consolidated on a modified equity basis in accordance with standards issued by the Public Sector Accounting Board. Under the modified equity method, the accounting policies of Public Post-secondary Institutions are not adjusted to conform with those of the Ministry. Inter-sector revenue and expense transactions and related asset and liability balances are not eliminated. Equity balances for the Public Post-secondary Institutions are compiled in accordance with Canadian generally accepted accounting principles applicable to public post-secondary institutions.

The year-end of colleges and technical institutes is June 30. Transactions of these organizations between July 1, 2008 to March 31, 2009, and that significantly affect the consolidated accounts, have been recorded.

The Ministry Annual Report for the year ended March 31, 2009 includes summary financial information compiled from Public Post-secondary Institutions audited financial statements for the year ended June 30, 2008 for the colleges and technical institutes and March 31, 2009 for the universities and the Banff Centre.

Note 2

Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria (if any) are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements are included in accounts payable and accrued liabilities.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries and supplies, etc. directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to student loans and vacation pay.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 5.

Assets

Financial assets of the Ministry are limited to cash and financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments, the allowance for impaired loans and the allowance for loan subsidy.

Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000. All land is capitalized.

Expenses for patents owned by the Ministry as a result of research activity are not capitalized due to the uncertain value of benefits that may accrue to the Ministry. Expenses on the acquisition or development of other intangible assets including intellectual capital are not capitalized as currently there is no acceptable methodology for measuring the value of future benefits accruing to the Ministry.

Equity in Public Post-secondary Institutions represents the difference between the carrying value of assets held by the Institutions and their liabilities as determined at March 31, 2009.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Note 2

Summary of Significant Accounting Policies and Reporting Practices (continued)

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are the allowance for loan relief completion payments amounting to $54,975 (2008 - $47,433), the allowance for impaired loans amounting to $30,416 (2008 - $26,464), the liability for student loans issued amounting to $2,423 (2008 - $2,841), and the allowance for loan subsidy amounting to $9,741 (2008 - $5,283), as well as, the total Universities Academic Pension Plan liability (UAPP) $1,299,860 (2008 - $688,760). See Note 13 on the UAPP liability.

The Ministry has made certain estimates in the following areas:

- The number of students exceeding their maximum debt limit in determining the allowance for loan relief completion payments.
- Recovery and default rates in the determination of the allowance for impaired loans.
- Future interest, and student loan amortization periods in the determination of the allowance for loan subsidy.
- Future interest, recovery and default rates in the determination of the liability for student loans.

With respect to the UAPP, the plan's actuary has made certain estimates and assumptions in the determination of the March 31, 2009 extrapolated results. Assumptions include an amortization period based upon the estimated average remaining service life of approximately 10.5 years, a discount rate of 6.7% (2008 - 6.75%), an inflation rate of 3.7% (2008 - 2.75%) and a salary escalation rate of 6% (2008 - 3.75%).

Changes in these estimates could materially impact the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy, the liability for student loans issued and UAPP.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arms length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, accounts payable, accrued liabilities and unearned revenue are estimated to approximate their carrying values because of the short term nature of these instruments. The fair value of long-term debt approximates its carrying value as interest rates approximate the market value. The fair values of loans receivable and liability for student loans issued are not reported as there is no organized financial market for these instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Note 3

Net Assets

(in thousands)

The opening net asset adjustment represents a $272,989 change in the employer's portion of the unfunded liability of the Universities Academic Pension Plan (UAPP) and a $1,435 correction of the accounting for contributed capital assets for the Alberta Research Council Inc. to conform to Ministry accounting policies.

Additional information on UAPP is included in Notes 9 and 13.

Note 4

Cash

(in thousands)

The cash balance consists of the following:

	2009	2008
Alberta Enterprise Corporation	$ 100,012	$ —
Alberta Research Council Inc.	17,459	12,905
Access to the Future Fund	12,413	32,733
Department of Advanced Education and Technology	6,543	4,858
iCORE Inc.	1,754	118
	$ 138,181	$ 50,614

Note 5

Accounts Receivable and Other Assets

(in thousands)

	2009			2008
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Commercial	$ 17,895	$ (1,156)	$ 16,739	$ 16,927
Government of Canada	15,820	—	15,820	32,137
Alberta Government Departments and Agencies	913	—	913	478
Accrued Interest Receivable on Loans	511	—	511	931
Other	1,275	—	1,275	3,217
	$ 36,414	$ (1,156)	$ 35,258	$ 53,690

Accounts receivable are unsecured, non-interest bearing and reported at their net realizable value.

Note 6

Loans Receivable

(in thousands)

	2009	2008
Loans Receivable	$ 351,466	$ 299,801
Less:		
Allowance for Loan Relief		
Completion Payments	(54,975)	(47,433)
Allowance for Impaired Loans	(30,416)	(26,464)
Allowance for Loan Subsidy	(9,741)	(5,283)
	$ 256,334	$ 220,621

Effective August 2001, under the terms of the Alberta Student Loan Program, loans are provided by the Ministry to qualifying students at interest rates prescribed by the Minister of Advanced Education and Technology.

Loans receivable are stated at cost net of the allowance for loan relief completion payments, the allowance for impaired loans and the allowance for loan subsidy.

Loans become payable and interest is earned when students discontinue their studies or graduate. When loans receivable are classified as impaired, interest ceases to accrue. Loans are unsecured and are repayable to a maximum term of 114 months.

Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

The allowance for impaired loans is a general provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default and recovery rates.

Loans receivable are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

Effective April 1, 2008, the interest rates on student loans were reduced to a floating rate of prime or a fixed rate of prime plus 2%. The change was applied to all outstanding loans and the Province will not receive interest payments over the term of the loans to fully cover the Government's cost of financing the loan portfolio. The allowance for loan subsidy is a provision that reflects the future benefit provided to students as a result of the favourable loan terms. Changes in future year estimates are expensed and are amortized over the estimated life of the student repayment period.

Note 7 Tangible Capital Assets

(in thousands)

	2009						2008
	Land	Building	Equipment [a]	Computer Hardware / Software	Leasehold Improvements	Total	Total
Estimated Useful Life	Indefinite	30 years	5-10 years	3-10 years	25 years		
Historical Cost [b]							
Beginning of year	$ 566	$ 2,180	$ 44,889	$ 35,916	$ 1,930	$ 85,481	$ 89,466
Additions	—	—	4,266	5,411	368	10,045	11,712
Disposals, transfers and adjustments	—	—	(3,530)	(3,326)	(175)	(7,031)	(15,697)
	566	2,180	45,625	38,001	2,123	88,495	85,481
Accumulated Amortization							
Beginning of year	—	642	25,273	11,709	517	38,141	47,687
Amortization expense	—	68	2,006	3,026	94	5,194	4,562
Effect of disposals	—	—	(2,384)	(429)	(113)	(2,926)	(14,108)
	—	710	24,895	14,306	498	40,409	38,141
Net Book Value at March 31, 2009	$ 566	$ 1,470	$ 20,730	$ 23,695	$ 1,625	$ 48,086	
Net Book Value at March 31, 2008	$ 566	$ 1,538	$ 19,616	$ 24,207	$ 1,413		$ 47,340

(a) Equipment includes office equipment, furniture and fixtures.

(b) Historical cost included work-in-progress at March 31, 2009 totaling $14,951 (2008 - $12,023) comprised of computer software development projects.

Note 8 Accounts Payable, Accrued Liabilities

(in thousands)

	2009	2008
Accounts Payable	$ 8,053	$ 115,782
Accrued Liabilities:		
Grants	33,893	17,260
Vacation	9,571	8,710
Supplies and Services	3,485	2,555
Other Accrued Liabilities	9,884	11,942
Liabilities for Student Loans Issued [a]	2,423	2,841
Advances from Government of Canada	4,402	62,381
	$ 71,711	$ 221,471

(a) Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students. These student loans result in a liability to the government for interest, guarantees and risk premium.

Note 9

Equity in Public Post-Secondary Institutions

(in thousands)

	2009	2008
Equity at beginning of year	$ 2,470,808	$ 2,764,666
Equity at beginning of year adjustment (a)	272,989	(344,100)
Sub-Total	2,743,797	2,420,566
Transfers from government sector entities	2,163,812	1,967,908
Other Income	2,042,038	1,852,607
Total Income	4,205,850	3,820,515
Total Expenses	4,230,173	3,829,493
Net Loss	(24,323)	(8,978)
Contributions to endowment	77,921	59,220
Other adjustments to Net Assets	(203,050)	—
(Decrease) increase in equity for the year	(149,452)	50,242
Equity at end of year	$ 2,594,345	$ 2,470,808
Represented by		
Assets		
Cash and temporary investments	$ 2,134,648	$ 731,161
Due from government sector entities	49,725	162,455
Investments	1,782,705	2,695,019
Tangible capital assets	5,044,792	4,434,566
Accounts receivable and other assets	382,247	382,050
	9,394,117	8,405,251
Liabilities		
Accounts payable and accrued liabilities (a)	669,851	934,971
Debt held by government sector entities	372,749	463,107
Other liabilities and unmatured debt	381,514	104,147
Deferred contributions (b)	913,666	842,741
Deferred capital contributions (b)	1,102,387	706,722
Unamortized deferred capital contributions (b)	3,359,605	2,882,755
	6,799,772	5,934,443
	$ 2,594,345	$ 2,470,808
Contractual Obligations (c)	$ 1,422,979	$ 1,210,511
Contingent Liabilities (d)	$ 19,912	$ 21,457

(a) The opening net asset adjustment represents the change in the employers portion of the unfunded liability of the Universities Academic Pension Plan (UAPP). Accounts payable and accrued liabilities includes $107,880 (2008 - $360,090) representing the universities and Banff Centre's share of the unfunded liability (net of deferred experience gains and losses) at March 31, 2009.

(b) Public post-secondary institutions follow the deferral method of accounting where contributions are deferred until the related expenses or capital investment occurs. Contributions used to acquire capital assets are deferred and amortized into revenue over the lives of the assets.

(c) Contractual obligations of the Public Post-secondary Institutions are comprised of $298,193 (2008 - $240,884) in Service Contracts, $1,015,389 (2008 - $899,826) in Capital Construction Contracts, $76,265 (2008 - $59,640) in Long-term Leases and $33,132 (2008 - $10,161) in other obligations. The Department has grant commitments to fund some of these projects.

(d) As at March 31, 2009, Public Post-secondary Institutions were defendants in a number of legal claims. Five (2008 - four) of these claims have specified amounts totaling $ 17,834 (2008 - $17,527). The value of the remaining claims is unknown at this time. The resulting loss, if any, from these claims cannot be determined. The Public Post-secondary Institutions also entered into employment contracts that included a commitment to provide or guarantee housing loans in the amount of $2,078 (2008 - $3,930).

Note 10

Contractual Obligations

(in thousands)

	2009	2008
Department	$ 1,056,643	$ 1,216,215
iCORE Inc.	20,020	19,419
Alberta Enterprise Corporation	—	—
Alberta Research Council Inc.	623	209
Access to the Future Fund	2,678	—
	$ 1,079,964	$ 1,235,843

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	2009					2008
	Service Contracts	Grants	Uncashed Loans	Computer Development	Total	Total
2009	$ —	$ —	$ —	$ —	$ —	$ 681,293
2010	8,959	454,471	3,891	20,856	488,177	308,610
2011	1,144	416,302	—	237	417,683	173,620
2012	556	136,697	—	—	137,253	72,095
2013	326	35,691	—	—	36,017	225
2014	40	694	—	—	734	—
Thereafter	—	100	—	—	100	—
	$ 11,025	$ 1,043,955	$ 3,891	$ 21,093	$ 1,079,964	$ 1,235,843

Contractual obligations of the Public Post-secondary Institutions are not included in the above; additional information on the contractual obligations of the Public Post-secondary Institutions can be found in Note 9.

Note 11

Contingent Liabilities

(in thousands)

At March 31, 2009, the Ministry of Advanced Education and Technology is a defendant in five legal claims (2008 - three legal claims) and have specified amounts totaling $55,201 (2008 - $53,400).

The resulting loss, if any, from these claims can not be determined.

Contingent Liabilities for the Public Post-Secondary Institutions are not included with the Ministry's contingent liabilities. Additional information on contingent liabilities for the Public Post-Secondary Institutions can be found in Note 9.

Note 12

Payments under Agreement

(in thousands)

The Department has entered into agreements to deliver programs that are fully funded by the Government of Canada. Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, section 25. Accounts receivable includes $12,207 (2008 - $28,606) and accounts payable and accrued liabilities includes $4,402 (2008 - $4,213) relating to payments under agreement.

Amounts paid and payable under agreements on behalf of the Government of Canada:

	2009	2008
Canadian Millennium Scholarship Foundation		
Canadian Millennium Scholarships	$ 31,612	$ 21,745
Government of Canada		
Canada Study Grants	6,803	6,747
Canada Access Grants	4,471	4,291
French Minority Language Education and French Second Language Instruction	3,945	3,937
	$ 46,831	$ 36,720

Note 13

Defined Benefit Plans

(in thousands)

Ministry Pension Plans

The Ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $8,699 for the year ended March 31, 2009 (2008 - $7,631).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 (2007 - 84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 (2007 - $92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 (2007 - surplus $1,510).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of $33,540 (2008 - $6,319) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $1,051 (2008 - surplus $7,874). The expense for these two plans is limited to the employer's annual contributions for the year.

Universities Academic Pension Plan

The Universities Academic Pension Plan (UAPP) is a defined benefit pension plan primarily comprised of academic staff members and other eligible employees of the Universities of Alberta, Calgary, Lethbridge, and Athabasca and Banff Centre (employers). The Universities Academic Pension Plan Board (the Board) is the trustee and administrator of the UAPP. The Board operates under the authority of the *Public Sector Pension Plans Act.*

The unfunded liability for service prior to January 1, 1992 is financed by additional contributions of 1.25% (2007 - 1.25%) of salaries by Alberta Finance and Enterprise and the balance of the required contributions is equally split between employees and employers. Employees and employers are responsible for fully funding service after 1991.

The 2008 UAPP Annual Report identifies an unfunded liability at December 31, 2008 in the amount of $ 1,055,471 (2007 - $535,843). An actuarial extrapolation of this amount to March 31, 2009, adjusted for public sector reporting standards, estimates the unfunded liability at $1,299,860 (2008 - $688,760) and unamortized actuarial losses totaling $817,580 (2008 - $288,160). The following table provides further breakdown of how the liability has been allocated amongst the participants:

	Alberta Finance and Enterprise	Employees	Employers	March 31, 2009 Extrapolated Results	March 31, 2008 Employers
Pre '92	$ 266,520	$ 295,290	$ 295,300	$ 857,110	$ 573,200
Post '91	—	221,380	221,370	442,750	115,560
Total Unfunded Liability	$ 266,520	$ 516,670	$ 516,670[1]	$ 1,299,860	$ 688,760

1. The universities and Banff Centre have collectively recorded $107,880 of unfunded pension liability. $408,790 has been deferred as experience losses.

Additional information on UAPP can be found in the Annual Report of UAPP.

Note 14

Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

Note 15

Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedules to the Consolidated Financial Statements

for the year ended March 31, 2009

Schedule 1

Revenues

(in thousands)

	2009		2008
	Budget	Actual	Actual
Internal Government Transfers			
Lottery Fund	$ 101,591	$ 101,591	$ 104,043
Alberta Heritage Scholarship Fund	38,052	34,579	25,883
Access to the Future Fund	47,080	47,126	45,709
	186,723	183,296	175,635
Transfers from Government of Canada			
Canada Social Transfers	484,090	516,446	337,325
Post-Secondary Education Infrastructure Trust	19,008	19,000	31,723
Other	8,919	8,315	9,492
	512,017	543,761	378,540
Investment Income			
Interest on Student Loans Issued	10,700	5,689	8,820
Other	2,850	1,311	2,554
	13,550	7,000	11,374
Premiums, Fees and Licenses			
Marketing Apprenticeship	9,000	6,892	7,529
License Fees	160	4,198	164
Other	—	10	14
	9,160	11,100	7,707
(Decrease) Increase in Equity in Public Post-Secondary Institutions	—	(149,452)	50,242
	—	(149,452)	50,242
Other Revenue			
Contract Revenue	52,734	49,731	45,635
Refunds of Expenditure	2,500	3,000	4,774
Miscellaneous	—	2,065	758
	55,234	54,796	51,167
	$ 776,684	$ 650,501	$ 674,665

Schedule 2

Expenses – Directly Incurred Detailed by Object

(in thousands)

	2009		2008
	Budget	Actual	Actual
Grants	$ 3,175,799	$ 3,191,885	$ 3,021,594
Salaries, Wages and Employee Benefits	109,550	114,696	104,201
Supplies and Services	97,330	79,451	72,803
Amortization of Tangible Capital Assets	7,882	5,195	4,562
Other	180	587	262
Valuation Adjustments			
Provision for Future Costs of Student Loans Issued	37,000	45,132	32,716
Provision for Vacation Pay and Other Provisions	5	671	243
	3,427,746	3,437,617	3,236,381
Less:			
Recoveries from Support Service Arrangements with Related Parties (a)	—	(1,844)	(1,856)
	$ 3,427,746	$ 3,435,773	$ 3,234,525

(a) The Ministry provides information technology support services to the Ministry of Employment and Immigration $1,844 (2008 - $1,856). Costs for these services are recovered from the Ministry.

Schedule 3 Budget

(in thousands)

	2009			
	Estimates	Adjustments	Authorized Supplementary	Authorized Budget
	(a)	(b)		
Revenues				
Internal Government Transfers	$ 186,723	$ —	$ —	$ 186,723
Transfers from Government of Canada	512,017	363	—	512,380
Investment Income	13,550	—	—	13,550
Premiums, Fees and Licenses	9,160	—	—	9,160
Increase in Equity in Public Post-Secondary Institutions	—	—	—	—
Other Revenue	55,234	—	—	55,234
	776,684	363	—	777,047
Expenses – Directly Incurred				
Support for Adult Learning	2,048,153	—	(20,800)	2,027,353
Support to Post-Secondary Learners	194,417	—	8,000	202,417
Post-Secondary Facilities Infrastructure	834,557	9,413	30,000	873,970
Apprenticeship Delivery	33,115	—	2,500	35,615
Alberta Centennial Education Savings Plan	17,500	—	—	17,500
Research and Innovation Capacity	91,241	—	15,200	106,441
Technology Commercialization	42,746	363	—	43,109
Policy and Planning	4,907	—	—	4,907
Ministry Support Services	21,458	—	—	21,458
Access to the Future Fund	47,633	—	—	47,633
Alberta Research Council Inc.	80,708	—	—	80,708
iCORE Inc.	11,306	—	—	11,306
Valuation Adjustment	5	—	—	5
Dedicated Revenue Shortfalls	—	(2,729)	—	(2,729)
Ministry Expense	3,427,746	7,047	34,900	3,469,693
Gain (Loss) on Disposal of Tangible Capital Assets	—	—	—	—
Write-down of Tangible Capital Assets	—	—	—	—
Ministry Net Operating Results	$(2,651,062)	$ (6,684)	$ (34,900)	$(2,692,646)
Equipment and Inventory Purchases	$ 10,297	$ —	$ —	$ 10,297

(a) Budget adjustments were made as follows:

- $363 approved increase in dedicated revenue offset by program expenses pursuant to the *Financial Administration Act* section 24(2).
- $9,413 transfer of appropriation for emerging capital purposes from Infrastructure pursuant to the *Appropriation Act*, 2008, section 5(1)(a).
- ($2,700) for dedicated revenue shortfalls. Dedicated revenue shortfalls are deducted from current year's authorized budget.

(b) Authorized Supplementary adjustments were made as follows:

- Supplementary estimates were approved on November 24, 2008. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for dedicated revenue initiatives).
- $5,400 transfer of appropriation for the Community Development Trust from Culture and Community Spirit pursuant to the *Appropriation Act*, 2008, section 5(1)(a).

Schedule 4

Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Ministry had the following transactions with related parties which are recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2009	2008
Revenues		
Grants	$ 183,296	$ 175,635
Other	3,371	2,604
	$ 186,667	$ 178,239
Expenses – Directly Incurred		
Grants	$ 1,757	$ 2,387
Other Services	4,129	3,957
	$ 5,886	$ 6,344
Tangible Capital Assets Transferred	$ 1,038	$ 800
Receivables from	$ 896	$ 552
Payables to	$ 601	$ 1,488

The above transactions do not include support service arrangement transactions disclosed in Schedule 5.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation and Legal expenses incurred by others are disclosed in Schedule 5.

	2009	2008
Expenses – Incurred by Others		
Accommodation	$ 31,239	$ 28,584
Legal	420	344
Air Transportation Services / Executive Vehicle	66	123
Internal Audit	65	77
Shared Services	5,409	5,501
GOA Learning Centre	39	—
	$ 37,238	$ 34,629

Schedule 5 Allocated Costs

(in thousands)

	2009				2008
		Expenses – Incurred by Others			
	Expenses	Accommodation Costs	Legal Services	Total Expenses	Total Expenses
Program	(a)	(b)	(c)		(Restated)
Support for Adult Learning	$ 2,032,626	$ 1,046	$ 5	$ 2,033,677	$ 1,833,126
Support to Post-Secondary Learners	186,341	1,770	—	188,111	154,413
Post-Secondary Facilities Infrastructure	873,970	—	—	873,970	900,384
Apprenticeship Delivery	37,206	3,555	50	40,811	35,020
Alberta Centennial Education Savings Plan	11,201	—	—	11,201	13,219
Research and Innovation Capacity	93,070	662	87	93,819	128,331
Technology Commercialization	33,214	462	26	33,702	18,014
Policy and Planning	4,853	462	210	5,525	6,429
Ministry Support Services	26,539	1,462	42	28,043	21,473
Access to the Future Fund	46,538	—	—	46,538	50,574
Alberta Research Council Inc.	77,336	21,820	—	99,156	89,918
iCORE Inc.	12,879	—	—	12,879	12,552
	$ 3,435,773	$ 31,239	$ 420	$ 3,467,432	$ 3,263,453

(a) Expenses – Directly Incurred as per Statement of Operations. Support to post-secondary learners includes valuation adjustments, provision for future costs of student loans issued and Alberta Centennial Education Savings Plan (ACES).

(b) Costs shown for Accommodation on Schedule 4 are allocated based on proportion of full time equivalent staff.

(c) Costs shown for Legal Services on Schedule 4, allocated by estimated costs incurred by each program.

Schedule 6

Public Post-Secondary Institutions

Public Colleges
Alberta College of Art and Design
Bow Valley College
Grande Prairie Regional College
Grant MacEwan College
Keyano College
Lakeland College
Lethbridge College
Medicine Hat College
Mount Royal College
NorQuest College
Northern Lakes College
Olds College
Portage College
Red Deer College
Technical Institutes
Northern Alberta Institute of Technology
Southern Alberta Institute of Technology
Universities
Athabasca University
University of Alberta
University of Calgary
University of Lethbridge
Other
The Banff Centre

Department of Advanced Education and Technology

Department of Advanced Education and Technology

Financial Statements

March 31, 2009

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AUDITOR GENERAL *Alberta*

Auditor's Report

To the Minister of Advanced Education and Technology

I have audited the statement of financial position of the Department of Advanced Education and Technology as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Department. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

original signed by

Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
June 3, 2009

Statement of Operations

(in thousands)

for the year ended March 31, 2009

	2009		2008
	Budget	Actual	Actual
Revenues (Schedule 1)			
Internal Government Transfers	$ 139,643	$ 136,170	$ 129,926
Transfers from Government of Canada	512,017	543,761	378,540
Investment Income	10,700	5,689	8,820
Premiums, Fees and Licenses	9,160	11,100	7,707
Other Revenue	2,950	5,325	5,716
	674,470	702,045	530,709
Expenses – Directly Incurred (Note 2b & Schedules 3 & 5)			
Voted			
Ministry Support Services	21,458	26,539	19,916
Support for Adult Learning	2,048,603	2,032,909	1,832,193
Support to Post-Secondary Learners	119,365	105,959	93,638
Post-Secondary Facilities Infrastructure	834,557	873,970	900,384
Apprenticeship Delivery	33,115	37,206	31,540
Research and Innovation Capacity	102,547	104,615	140,050
Technology Commercialization	173,106	165,074	46,326
Policy and Planning	4,907	4,853	5,666
	3,337,658	3,351,125	3,069,713
Statutory			
Alberta Heritage Scholarships	38,052	34,579	25,883
Alberta Centennial Education Savings Plan	17,500	11,201	13,219
Valuation Adjustments			
Provision for Future Cost of Student Loans Issued	37,000	45,132	32,716
Valuation Adjustments and Other Provisions	5	671	243
	92,557	91,583	72,061
	3,430,215	3,442,708	3,141,774
Net Operating Results	$(2,755,745)	$(2,740,663)	$(2,611,065)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

(in thousands)

as at March 31, 2009

	2009	2008
Assets		
Cash	$ 6,543	$ 4,858
Accounts Receivable (Note 3)	17,792	36,439
Loans Receivable (Note 4)	256,334	220,621
Tangible Capital Assets (Note 5)	23,183	22,028
	$ 303,852	$ 283,946
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	$ 50,617	$ 179,015
Unearned Revenue	451	19,557
	51,068	198,572
Net Assets		
Net Assets at Beginning of Year	85,374	50,979
Net Operating Results	(2,740,663)	(2,611,065)
Net Financing Provided from General Revenues	2,908,073	2,645,460
Net Assets at End of Year	252,784	85,374
	$ 303,852	$ 283,946

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

(in thousands)

for the year ended March 31, 2009

	2009	2008
Operating Transactions		
Net Operating Results	$(2,740,663)	$(2,611,065)
Non-cash Items included in Net Operating Results		
Amortization	2,858	2,462
Provision for Future Cost of Student Loans Issued	45,132	32,716
Provision for Vacation Pay and Other Provisions	671	243
Adjustment to Tangible Capital Assets	724	—
	(2,691,278)	(2,575,644)
Increase (Decrease) in Accounts Receivable	18,647	(21,505)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(128,313)	54,865
(Decrease) in Unearned Revenue	(19,107)	(32,789)
(Decrease) in Deferred Contributions	—	(817)
Cash Applied to Operating Transactions	(2,820,051)	(2,575,890)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 5)	(5,775)	(3,747)
Capital Assets Transferred to Other Ministries	1,038	800
Cash Applied to Capital Transactions	(4,737)	(2,947)
Investing Transactions		
Net Change in Loans Receivable	(81,600)	(67,595)
Cash Applied to Investing Transactions	(81,600)	(67,595)
Financing Transactions		
Net Financing Provided from General Revenues	2,908,073	2,645,460
Cash Provided by Financing Transactions	2,908,073	2,645,460
Increase (Decrease) in Cash and Cash Equivalents	1,685	(972)
Cash and Cash Equivalents, Beginning of Year	4,858	5,830
Cash and Cash Equivalents, End of Year	$ 6,543	$ 4,858

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2009

Note 1

Authority and Purpose

The Department of Advanced Education and Technology operates under the authority of the *Government Organization Act*, Chapter G-10, revised Statutes of Alberta 2000.

In support of Alberta's vision, Advanced Education and Technology's purpose is to assist Alberta to be a learning and innovative society.

Note 2

Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the Department.

(a) Reporting Entity

The reporting entity is the Department of Advanced Education and Technology, which is part of the Ministry of Advanced Education and Technology and for which the Minister of Advanced Education and Technology is accountable. Other entities reporting to the Minister are the Access to the Future Fund, the Alberta Enterprise Corporation, the Alberta Research Council Inc. and iCORE Inc. Entities accountable to the Minister are the Public Post-Secondary Institutions (universities, technical institutes, public colleges and the Banff Centre). The activities of iCORE Inc., Alberta Research Council Inc., Access to the Future Fund, Alberta Enterprise Corporation and the Public Post-Secondary Institutions are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria (if any) are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual dedicated revenues exceed budget, the Department may, with approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the Government's budget documents.

Note 2

Summary of Significant Accounting Policies and Reporting Practices (continued)

In addition to program operating expenses such as salaries and supplies, directly incurred expenses also include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances are used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to student loans and vacation pay.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Department operations are disclosed in Schedule 9.

Assets

Financial assets of the Department are limited to cash and financial claims, such as advances to and receivables from other organizations, employees, students and other individuals.

Loans receivable are recorded at cost net of the allowance for loan relief completion payments, the allowance for impaired loans and the allowance for loan subsidy.

Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Department and its liabilities.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is variance between the recognized or disclosed amount and another reasonably possible amount.

The areas with measurement uncertainty are the allowance for loan relief completion payments amounting to $54,975 (2008 - $47,433), the allowance for impaired loans amounting to $30,416 (2008 - $26,464), the liability for student loans issued amounting to $2,423 (2008 - $2,841) and the allowance for loan subsidy amounting to $9,741 (2008 - $5,283).

The Department has made certain estimates in the following areas:

- The number of students exceeding their maximum debt limit in determining the allowance for loan relief completion payments.
- Recovery and default rates in the determination of the allowance for impaired loans.
- Student loan amortization periods in the determination of the allowance for loan subsidy.
- Future interest, recovery and default rates in the determination of the liability for student loans.

Changes in these estimates could materially impact the allowance for loan relief completion payments, the allowance for impaired loans, the allowance for loan subsidy, the liability for student loans issued.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

The fair values of loans receivable and liabilities for student loans issued are not reported as there is no organized financial market for all of the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair values with sufficient reliability.

Note 3

Accounts Receivable

(in thousands)

	2009	2008
Government of Canada	$ 15,820	$ 32,137
Accrued Interest Receivable on Loans	511	931
Other	1,461	3,371
	$ 17,792	$ 36,439

Accounts receivable are unsecured and non-interest bearing.

Note 4

Loans Receivable

(in thousands)

	2009	2008
Loans Receivable	$ 351,466	$ 299,801
Less:		
Allowance for Loan Relief		
Completion Payments	(54,975)	(47,433)
Allowance for Impaired Loans	(30,416)	(26,464)
Allowance for Loan Subsidy	(9,741)	(5,283)
	$ 256,334	$ 220,621

Effective August 2001, under the terms of the Alberta Student Loan Program, loans are provided by the Department to qualifying students at interest rates prescribed by the Minister of Advanced Education and Technology.

Loans receivable are stated at cost net of the allowance for loan relief completion payments, the allowance for impaired loans and the allowance for loan subsidy.

Loans become payable and interest is earned when students discontinue their studies or graduate. When loans receivable are classified as impaired, interest ceases to accrue. Loans are unsecured and are repayable to a maximum term of 114 months.

Loan relief completion payments on Alberta Student Loans are available to students who complete their studies and have assumed a total combined indebtedness of Canada and Alberta Student Loans exceeding established debt limits.

The allowance for impaired loans is a general provision that estimates the amount of loans receivable that will be impaired. The key assumptions used to determine this provision are default and recovery rates.

Loans receivable are classified as impaired when:

- there is no longer reasonable assurance as to the timely collection of the full amount of principal or interest, or
- the borrower has failed to make payments for a period of 150 days, or
- interest is owing to the Province for a period of 180 days.

Effective April 1, 2008, the interest rates on student loans were reduced to a floating rate of prime or a fixed rate of prime plus 2%. The change was applied to all outstanding loans and the Province will not receive interest payments over the term of the loans to fully cover the Government's cost of financing the loan portfolio. The allowance for loan subsidy is a provision that reflects the future benefit provided to students as a result of the favourable loan terms. Changes in future year estimates are expensed and are amortized over the estimated life of the student repayment period.

Note 5

Tangible Capital Assets

(in thousands)

	2009			2008
	Equipment [a]	Computer Hardware and Software	Total	Total
Estimated Useful Life	5-10 years	3-10 years		
Historical Cost [b]				
Beginning of year	$ 128	$ 32,193	$ 32,321	$ 29,374
Additions	1,062	4,713	5,775	3,747
Disposals, Transfers and Adjustments	(1,038)	(953)	(1,991)	(800)
	152	35,953	36,105	32,321
Accumulated Amortization				
Beginning of year	45	10,248	10,293	7,831
Amortization expense	24	2,834	2,858	2,462
Effect of Disposals	—	(229)	(229)	—
	69	12,853	12,922	10,293
Net Book Value at March 31, 2009	$ 83	$ 23,100	$ 23,183	
Net Book Value at March 31, 2008	$ 83	$ 21,945		$ 22,028

(a) Equipment includes office equipment.

(b) Historical cost included work-in-progress at March 31, 2009 totaling $14,951 (2008 - $12,008) comprised of computer software development projects.

Note 6

Accounts Payable and Accrued Liabilities

(in thousands)

	2009	2008
Accounts Payable	$ 2,812	$ 89,432
Accrued Liabilities		
Vacation	5,424	4,755
Other	35,556	19,606
Liabilities for Student Loans Issued [a]	2,423	2,841
Advances from Government of Canada	4,402	62,381
	$ 50,617	$ 179,015

(a) Prior to August 2001, financial institutions issued loans under guaranteed and non-guaranteed risk share initiatives to Alberta students. These student loans result in a liability to the government for loan relief completion payments, interest, guarantees and risk premium.

Note 7 Contractual Obligations

(in thousands)

	2009	2008
Service Contracts	$ 10,402	$ 4,982
Capital and Operating Grants	1,021,257	1,206,686
Uncashed Student Loans	3,891	3,437
Computer Systems Development	21,093	1,110
	$ 1,056,643	$ 1,216,215

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Service Contracts	Capital & Operating Grants	Uncashed Student Loans	Computer Systems Development	Total
2010	$ 8,769	$ 444,961	$ 3,891	$ 20,856	$ 478,477
2011	996	410,171	—	237	411,404
2012	431	132,575	—	—	133,006
2013	206	33,291	—	—	33,497
2014	—	159	—	—	159
Thereafter	—	100	—	—	100
	$ 10,402	$ 1,021,257	$ 3,891	$ 21,093	$ 1,056,643

Note 8 Contingent Liabilities

(in thousands)

At March 31, 2009, the Department of Advanced Education and Technology is a defendant in four legal claims (2008 - two legal claims). These claims have specified amounts totaling $53,001 (2008 - $51,200). The resulting loss, if any, from these claims cannot be determined.

Note 9 Payments UnderAgreement

(in thousands)

The Department has enered into agreements to deliver programs that are fully funded by the Government of Canada. Costs incurred under these agreements are made by the Department under authority of the *Financial Administration Act*, section 25. Accounts receivable includes $12,207 (2008 - $28,606) and accounts payable and accrued liabilities includes $4,402 (2008 - $4,213) elating to payments under agreement.

Amounts paid and payable under agreements on behalf of the Government of Canada:

	2009	2008
Canadian Millennium Scholrship Foundation		
Canadian Millennium Scholarships	$ 31,612	$ 21,745
Government of Canada		
Canada Study Grants	6,803	6,747
Canada Access Grants	4,471	4,291
French Minority Language Education and French Second Language Instruction	3,945	3,937
	$ 46,831	$ 36,720

Note 10

Defined Benefit Plans

(in thousands)

The Department participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $5,186 for the year ended March 31, 2009 ($4,436).

At December 31, 2008, the Management Employees Pension Plan reported a deficiency of $568,574 ($84,341) and the Public Service Pension Plan reported a deficiency of $1,187,538 ($92,509 as restated). At December 31, 2008, the Supplementary Retirement Plan for Public Service Managers had a deficiency of $7,111 ($ surplus $1,510).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2009, the Bargaining Unit Plan reported an actuarial deficiency of $33,540 ($6,319) and the Management, Opted Out and Excluded Plan an actuarial deficiency of $1,051 ($ surplus $7,874). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 11

Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

Note 12

Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedules to the Financial Statements

for the year ended March 31, 2009

Schedule 1

Revenues

(in thousands)

	2009		2008
	Budget	Actual	Actual
Internal Government Transfers			
Alberta Heritage Scholarship Fund	$ 38,052	$ 34,579	$ 25,883
Lottery Fund	101,591	101,591	104,043
	139,643	136,170	129,926
Transfers from Government of Canada			
Canada Social Transfers	484,090	516,446	337,325
Post-Secondary Infrastructure Trust	19,008	19,000	31,723
Other	8,919	8,315	9,492
	512,017	543,761	378,540
Investment Income			
Interest on Student Loans Issued	10,700	5,689	8,820
	10,700	5,689	8,820
Premiums, Fees and Licenses			
Marketing Apprenticeship	9,000	6,892	7,529
License Fees	160	4,198	164
Other	—	10	14
	9,160	11,100	7,707
Other Revenue			
Refund of Expenditure	2,500	2,979	4,774
Miscellaneous	450	2,346	942
	2,950	5,325	5,716
	$ 674,470	$ 702,045	$ 530,709

Schedule 2

Dedicated Revenue Initiatives

(in thousands)

	2009		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall) / Excess
Support to Post-Secondary Learners (a)			
Program Delivery Support	$ 2,025	$ 1,767	$ (258)
Apprenticeship Delivery (b)			
Marketing Apprenticeship	9,000	6,892	(2,108)
Research and Innovation Capacity (c)			
Life Sciences Research	244	150	(94)
Technology Commercialization (c)			
Strategic Partnerships	363	94	(269)
	$ 11,632	$ 8,903	$ (2,729)

The revenue of each dedicated revenue initiative is included in the Department's revenue.

(a) The dedicated revenues for program delivery support are amounts received from the Government of Canada and the Canadian Millenrium Scholarship Foundation (CMSF) to administer the Canada Student Loans, Grants and the Canadian Millennium Scholarship Foundationbursary program.

(b) Marketing Apprenticeship includes providing certain services in designated trades and occupations, including: assessment of competencies in designated occupations; the assessment of individuals' prior work experience, knowledge and skills in a designated trade or occupation (Qualification Certificate Program); and application/record books, prior learning assessments, replacement of certificates in designatedtrades. It also includes expertise in training and certification programs to other countries; providing consulting services with respect to training and certification to other countries and jurisdictions: and providing apprenticeship seats in Alberta's institution on a cost recovery basis forYukon, Northwest Territories and Nunavut apprentices.

(c) The Department receives reimbursements from the Government of Canada for research grants approved under the Western Economic Partnership Agreement.

Schedule 3

Expenses – Directly Incurred Detailed by Object

(in thousands)

	2009		2008
	Budget	Actual	Actual
Voted			
Salaries, Wages and Employee Benefits	$ 56,251	$ 57,494	$ 50,952
Supplies and Services	65,079	52,952	48,735
Grants	3,210,812	3,239,464	2,969,253
Other	180	291	167
Amortization of Capital Assets	5,336	2,858	2,462
Total Voted Expenses before Recoveries	3,337,658	3,352,969	3,071,569
Less			
Recoveries from Support Service Arrangements (a)	—	(1,844)	(1,856)
	$ 3,337,658	$ 3,351,125	$ 3,069,713
Statutory			
Grants	$ 55,552	$ 45,780	$ 39,102
Valuation Adjustments			
Provision for Future Cost of Student Loans Issued	37,000	45,132	32,716
Provision for Vacation Pay and Other Provision	5	671	243
	$ 92,557	$ 91,583	$ 72,061

(a) The Department provides information technology support services to the Department of Employment and Immigration at a cost of $1,844 (2008 - $1,856). Costs for these services are recovered from that Department.

Schedule 4 — Budget

(in thousands)

	2009				
	Estimates	Adjustments [a]	Budget	Authorized Supplementary [b]	Authorized Budget
Revenues					
Internal Government Transfers	$ 139,643	$ —	$ 139,643	$ —	$ 139,643
Transfers from Government of Canada	512,017	363	512,380	—	512,380
Investment Income	10,700	—	10,700	—	10,700
Premiums, Fees and Licenses	9,160	—	9,160	—	9,160
Other Revenue	2,950	—	2,950	—	2,950
	674,470	363	674,833	—	674,833
Expenses – Directly Incurred					
Voted Operating Expenses					
Ministry Support Services	21,458	—	21,458	—	21,458
Support for Adult Learning	2,048,603	—	2,048,603	(20,800)	2,027,803
Support to Post-Secondary Learners	119,365	—	119,365	8,000	127,365
Post-Secondary Facilities Infrastructure	834,557	9,413	843,970	30,000	873,970
Apprenticeship Delivery	33,115	—	33,115	2,500	35,615
Research and Innovation Capacity	102,547	—	102,547	15,200	117,747
Technology Commercialization	173,106	363	173,469	—	173,469
Policy and Planning	4,907	—	4,907	—	4,907
Dedicated Revenue Shortfall (Schedule 2)	—	(2,729)	(2,729)	—	(2,729)
	3,337,658	7,047	3,344,705	34,900	3,379,605
Statutory					
Provision for Future Cost of Student Loans Issued	37,000	—	37,000	—	37,000
Alberta Heritage Scholarships	38,052	—	38,052	—	38,052
Alberta Centennial Education Savings Plan	17,500	—	17,500	—	17,500
Valuation Adjustments and Other Provisions	5	—	5	—	5
	92,557	—	92,557	—	92,557
Total Expenses	3,430,215	7,047	3,437,262	34,900	3,472,162
Net Operating Results	$(2,755,745)	$ (6,684)	$(2,762,429)	$ (34,900)	$(2,797,329)
Equipment and Inventory Purchases (EIP)	$ 4,397	$ —	$ 4,397	$ —	$ 4,397
Non-Budgetary Disbursements	$ 127,400	$ —	$ 127,400	$ —	$ 127,400

(a) Budget adjustments were made as follows:

- $363 approved increase in dedicated revenue offset by program expenses pursuant to the *Financial Administration Act* section 24(2).
- $9,413 transfer of appropriation for emerging capital purposes from Infrastructure pursuant to the *Appropriation Act*, 2008, section 5(1)(a).

(b) Authorized Supplementary adjustments were made as follows:

- Supplementary estimates were approved on November 24, 2008. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for dedicated revenue initiatives).
- $5,400 transfer of appropriation for the Community Development Trust from Culture and Community Spirit pursuant to the *Appropriation Act*, 2008, section 5(1)(a).

Schedule 5

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget

(in thousands)

		2008-09 Budget	Adjustments (a)	Authorized Supplementary (b)	2008-09 Authorized Budget	Actual Expense (c)	Unexpended (Over-expended)
Voted Operating Expenses and Equipment/Inventory Purchases							
1 Ministry Support Services							
1.0.1	Minister's Office	$ 518	$ —	$ —	$ 518	$ 559	$ (41)
1.0.2	Deputy Minister's Office	689	—	—	689	673	16
1.0.3	Communications	954	—	—	954	742	212
1.0.4	Strategic Corporate Services						
	• Operating Expense	16,764	—	—	16,764	21,551	(4,787)
	• Equipment/Inventory Purchases	967	—	—	967	1,265	(298)
1.0.5	Corporate Costs	2,533	—	—	2,533	3,014	(481)
Sub-Total		**22,425**	**—**	**—**	**22,425**	**27,804**	**(5,379)**
2 Support for Adult Learning							
2.0.1	Program Delivery Support	9,872		—	9,872	9,290	582
2.0.2	Universities	921,961	—	—	921,961	928,731	(6,770)
2.0.3	Public Colleges	449,688	—	—	449,688	459,019	(9,331)
2.0.4	Technical Institutes	257,537	—	—	257,537	261,277	(3,740)
2.0.5	Banff Centre	14,687	—	—	14,687	14,948	(261)
2.0.6	Private University Colleges	20,245	—	—	20,245	20,808	(563)
2.0.7	Inter-Jurisdiction Programs	6,880	—	—	6,880	7,544	(664)
2.0.8	Community Education						
	• Expense	5,902	—	—	5,902	8,686	(2,784)
	• Expense funded by Lotteries	15,600	—	—	15,600	15,600	—
2.0.9	Enrolment Planning Envelope	309,473	—	(20,300)	289,173	275,737	13,436
2.0.10	Performance Envelope	—	—	—	—	—	—
2.0.11	Other Program Support	36,758	—	(500)	36,258	31,269	4,989
Sub-Total		**2,048,603**	**—**	**(20,800)**	**2,027,803**	**2,032,909**	**(5,106)**
3 Support to Post-Secondary Learners							
3.0.1	Program Delivery Support						
	• Operating Expense	23,965	—	—	23,965	18,823	5,142
	• Equipment and Inventory Purchases	3,000	—	—	3,000	3,042	(42)
3.0.2	Achievement Scholarships						
	• Expense	27,900	—	8,000	35,900	32,426	3,474
	• Expense funded by Lotteries	3,100	—	—	3,100	3,100	—
3.0.3	Bursaries and Grants	34,400	—	—	34,400	27,723	6,677
3.0.4	Student Loan Relief Benefit	30,000	—	—	30,000	23,887	6,113
Sub-Total		**122,365**	**—**	**8,000**	**130,365**	**109,001**	**21,364**
4 Post-Secondary Facilities Infrastructure							
4.0.1	Capital Expansion and Upgrading						
	• Expense	665,057	9,413	30,000	704,470	678,112	26,358
	• Expense funded by Lotteries	16,000	—	—	16,000	16,000	—
4.0.2	Capital Maintenance and Renewal	153,500	—	—	153,500	179,858	(26,358)
Sub-Total		**834,557**	**9,413**	**30,000**	**873,970**	**873,970**	**—**

Schedule 5

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget *(continued)*

(in thousands)

		2008-09 Budget	Adjustments (a)	Authorized Supplementary (b)	2008-09 Authorized Budget	Actual Expense (c)	Unexpended (Over-expended)
Voted Operating Expenses and Equipment/Inventory Purchases							
5 Apprenticeship Delivery							
5.0.1	Apprenticeship Delivery Support						
	• Operating Expense	24,115	—	2,500	26,615	30,337	(3,722)
	• Equipment and Inventory Purchases	430	—	—	430	430	—
5.0.2	Marketing Apprenticeship	9,000	—	—	9,000	6,869	2,131
Sub-Total		**33,545**	**—**	**2,500**	**36,045**	**37,636**	**(1,591)**
6 Research and Innovation Capacity							
6.0.1	Program Delivery Support	7,462	—	—	7,462	6,974	488
6.0.2	Research Capacity						
	• Expense	1,800	—	—	1,800	2,287	(487)
	• Expense funded by Lotteries	28,900	—	—	28,900	28,900	—
6.0.3	Innovation and Service Excellence Program						
	• Operating Expense	—	—	9,800	9,800	4,767	5,033
	• Equipment and Inventory Purchases	—	—	—	—	104	(104)
6.0.4	Energy Research						
	• Expense	23,000	—	—	23,000	13,157	9,843
	• Expense funded by Lotteries	15,200	—	—	15,200	15,200	—
6.0.5	Life Sciences Research						
	• Expense	244	—	5,400	5,644	7,830	(2,186)
	• Expense funded by Lotteries	11,485	—	—	11,485	11,485	—
	• Equipment and Inventory Purchases	—	—	—	—	250	(250)
6.0.6	Information and Communications Technology Research						
	• Expense	3,150	—	—	3,150	2,709	441
	• Expense funded by Lotteries	11,306	—	—	11,306	11,306	—
Sub-Total		**102,547**	**—**	**15,200**	**117,747**	**104,969**	**12,778**
7 Technology Commercialization							
7.0.1	Program Delivery Support	3,681	—	—	3,681	3,962	(281)
7.0.2	Strategic Partnerships	9,475	363	—	9,838	11,565	(1,727)
7.0.3	Commercialization Capacity						
	• Operating Expense	29,590	—	—	29,590	19,187	10,403
	• Equipment and Inventory Purchases	—	—	—	—	684	(684)
7.0.4	Transfer to Alberta Enterprise Corporation	100,000	—	—	100,000	100,000	—
7.0.5	Transfer to Alberta Research Council Inc.	30,360	—	—	30,360	30,360	—
Sub-Total		**173,106**	**363**	**—**	**173,469**	**165,758**	**7,711**
8 Policy and Planning							
8.0.1	Policy and Planning	4,907	—	—	4,907	4,853	54
Sub-Total		**4,907**	**—**	**—**	**4,907**	**4,853**	**54**
Dedicated Revenue Shortfall (note 3)		—	(2,729)	—	(2,729)	—	(2,729)
Total Voted Expenses		**$ 3,342,855**	**$ 7,047**	**$ 34,900**	**$ 3,384,802**	**$ 3,356,988**	**$ 27,102**

Schedule 5

Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases, Statutory Expenses and Non-Budgetary Disbursements by Element to Authorized Budget (continued)

(in thousands)

	2008-09 Estimates	Adjustments (a)	Authorized Supplementary (b)	2008-09 Authorized Budget	2008-09 Actual Expense (c)	Unexpended (Over-expended)
Voted Operating Expenses and Equipment/Inventory Purchases						
Operating Expenses	$ 3,236,067	$ 7,047	$ 29,500	$ 3,272,614	$ 3,249,534	$ 23,080
Operating Expenses Funded by Lotteries	101,591	—	—	101,591	101,591	—
Equipment/Inventory Purchases	4,397	—	—	4,397	5,775	(1,378)
Total Voted Expenses	$3,342,055	$ 7,047	$ 29,500	$3,378,602	$3,356,900	$ 21,702
Statutory Expenses:						
Provision for Future Cost of Student Loans Issued	$ 37,000	$ —	$ —	$ 37,000	$ 45,132	$ (8,132)
Alberta Heritage Scholarships	38,052	—	—	38,052	34,579	3,473
Alberta Centennial Education Savings Plan	17,500	—	—	17,500	11,201	6,299
Valuation Adjustments and Other Provisions	5	—	—	5	671	(666)
Department Statutory Expenses	$ 92,557	$ —	$ —	$ 92,557	$ 91,583	$ 974
Non-Budgetary Disbursements by Program						
3 Support to Post-Secondary Learners						
Cost of Student Loans Issued:						
3.5 Student Loans Servicing Cost	$ 1,300	$ —	$ —	$ 1,300	$ 840	$ 460
3.6 Student Loan Relief – Completion Payments	200	—	—	200	4	196
3.7 Student Loan Disbursements	125,900	—	—	125,900	117,533	8,367
Total Non-Budgetary Disbursements	$ 127,400	$ —	$ —	$ 127,400	$ 118,377	$ 9,023

(a) Budget adjustments were made as follows:

- $363 approved increase in dedicated revenue offset by program expenses pursuant to the *Financial Administration Act* section 24(2).
- $9,413 transfer of appropriation for emerging capital purposes from Infrastructure pursuant to the *Appropriation Act*, 2008, section 5(1)(a).

(b) Authorized Supplementary adjustments were made as follows:

- Supplementary estimates were approved on November 24, 2008. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act* (for dedicated revenue initiatives).
- $5,400 transfer of appropriation for the Community Development Trust from Culture and Community Spirit pursuant to the *Appropriation Act*, 2008, section 5(1)(a).

(c) Includes achievement bonuses of $1,668.

Schedule 6

Funding Provided to Post-Secondary Institutions

(in thousands)

	2009			
	Base Operating Grants	Other Operating Grants [a]	Grants for Infrastructure	Total
Public Post-Secondary Institutions				
Public Colleges				
Alberta College of Art and Design	$ 11,710	$ 99	$ 274	$ 12,083
Bow Valley College	26,006	5,447	67,409	98,862
Grande Prairie Regional College	22,035	2,400	2,650	27,085
Grant MacEwan College	79,866	22,317	11,380	113,563
Keyano College	28,726	9,617	6,028	44,371
Lakeland College	27,078	3,931	16,656	47,665
Lethbridge College	35,331	5,922	4,857	46,110
Medicine Hat College	25,936	3,034	13,040	42,010
Mount Royal College	67,062	21,538	10,782	99,382
NorQuest College	29,740	6,653	5,373	41,766
Northern Lakes College	25,832	2,731	2,202	30,765
Olds College	22,846	1,714	6,081	30,641
Portage College	18,687	2,618	7,865	29,170
Red Deer College	38,163	16,505	7,894	62,562
Technical Institutes				
Northern Alberta Institute of Technology	145,566	35,388	29,979	210,933
Southern Alberta Institute of Technology	115,711	31,634	23,217	170,562
Universities				
Athabasca University	33,351	3,376	919	37,646
University of Alberta	484,774	73,899	396,430	955,103
University of Calgary	330,952	69,891	199,407	600,250
University of Lethbridge	79,654	13,143	48,313	141,110
Banff Centre				
Banff Centre	14,948	18	2,914	17,880
Total Public Post-Secondary Institutions	$ 1,663,974	$ 331,875	$ 863,670	$ 2,859,519
Private Colleges, Vocational Schools and Other Colleges				
Private Colleges				
St. Mary's University College	$ 1,858	$ 724	$ —	$ 2,582
Taylor University College and Seminary	1,458	—	—	1,458
Ambrose University College	2,167	137	—	2,304
Canadian University College	2,547	49	—	2,596
Concordia University College of Alberta	9,185	1,945	—	11,130
The King's University College	3,592	1,194	—	4,786
Private Vocational Schools				
Columbia College	—	61	—	61
Other Colleges				
Yellowhead Tribal College	—	183	—	183
Blue Quills First Nations College	—	70	—	70
Nechi Training, Research and Health Promotions Institute	—	44	—	44
Red Crow Community College	—	283	—	283
Old Sun Community College	—	274	—	274
Total Private Colleges, Vocational Schools and Other Colleges	$ 20,807	$ 4,964	$ —	$ 25,771

[a] Includes programs such as Enrolment Planning Envelope, Research grants and all other grants.

Schedule 7

Salary and Benefits Disclosure

	2009				2008
	Base Salary	Other Cash Benefits	Other Non-Cash Benefits	Total	Total
	(1)	(2)	(3)		
Deputy Minister (4) (5)	$ 253,668	$ 52,719	$ 62,516	$ 368,903	$ 326,889
Executives:					
Post-Secondary Excellence (6) (8)	162,041	80,000	43,437	285,478	232,469
Community, Learner and Industry Connections	177,828	21,677	44,306	243,811	233,792
Research	177,828	28,897	44,538	251,263	231,253
Technology Commercialization (7)	177,828	43,504	45,929	267,261	240,832
Executive Lead, Innovation Initiatives	177,828	28,897	44,674	251,399	236,286
Senior Financial Officer	141,228	17,216	36,305	194,749	176,844
Human Resources Director	116,054	14,704	30,253	161,011	146,131

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, WCB premiums (estimated), learning account items, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in other-cash benefits.

(5) Other cash benefits include a vacation payout of $9,719 (2008 - nil).

(6) Other cash benefits include a vacation payout of $52,450 (2008 - nil).

(7) Other cash benefits include a vacation payout of $7,938 (2008 - $13,003).

(8) Position occupied by two individuals during the year.

Schedule 8

Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Department had the following transactions with related parties which are recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities Outside the Ministry	
	2009	2008	2009	2008
Revenues				
Grants	$ —	$ —	$ 136,170	$ 129,936
Other	282	1,735	—	—
	$ 282	$ 1,735	$ 136,170	$ 129,936
Expenses – Directly Incurred				
Grants	$ 3,010,911	$ 2,743,566	$ 950	$ 1,661
Other Services	3,408	801	3,526	3,447
	$ 3,014,319	$ 2,744,367	$ 4,476	$ 5,108
Tangible Capital Assets Transferred	$ —	$ —	$ 1,038	$ 800
Receivables from	$ 288	$ 1,694	$ —	$ —
Payables to	$ 22,533	$ 95,848	$ 36	$ 264

The above transactions do not include support service arrangement transactions disclosed in Schedule 9.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements. Accommodation and Legal expenses incurred by others are disclosed in Schedule 9.

	Other Entities Outside the Ministry	
	2009	2008
Expenses – Incurred by Others		
Accommodation	$ 9,418	$ 9,732
Shared Services	5,409	5,301
Legal	420	349
Air Transportation Services / Executive Vehicle	66	123
Internal Audit	65	77
GOA Learning Centre	39	—
	$ 15,417	$ 15,767

Schedule 9

Allocated Costs

(in thousands)

	2009						2008
		Expenses - Incurred by Others		Valuation Adjustments (3)			
	Expenses	Accommodation Costs	Legal Services	Provision for Future Cost of Student Loans Issued	Vacation Pay and Other Provisions	Total Expenses	Total Expenses
Program	(1)	(2)					
Ministry Support Services	$ 26,539	$ 1,462	$ 42	$ —	$ 104	$ 28,147	$ 21,509
Support for Adult Learning	2,044,109	1,046	5	—	74	2,045,234	1,833,336
Support to Post-Secondary Learners	105,959	1,770	—	45,132	128	152,989	167,449
Post-Secondary Facilities Infrastructure	873,970	—	—	—	—	873,970	900,384
Apprenticeship Delivery	37,206	3,554	50	—	252	41,062	35,101
Research and Innovation Capacity	104,615	662	87	—	47	105,411	140,891
Technology Commercialization	165,074	462	26	—	33	165,595	46,725
Policy and Planning	4,853	462	210	—	33	5,558	6,445
	$ 3,362,325	$ 9,418	$ 420	$ 45,132	$ 671	$ 3,417,966	$ 3,151,840

(1) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments. Support for Adult Learners includes Alberta Heritage Scholarships and Alberta Centennial Education Savings Plan (ACES).

(2) Costs shown for Accommodation are allocated based on proportion of full time equivalent staff.

(3) Valuation Adjustments as per Statement of Operations:

- Vacation Pay – allocated to program based on proportion of full-time-equivalent staff.
- Provision for Future Cost of Student Loans Issued – allocated to Support for Adult Learners.

Alberta Enterprise Corporation

Alberta Enterprise Corporation

Financial Statements

March 31, 2009

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AUDITOR GENERAL *Alberta*

Auditor's Report

To the Board of Directors

I have audited the statement of financial position of the Alberta Enterprise Corporation as at March 31, 2009 and the statements of operations and cash flows for the period then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2009 and the results of its operations and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

original signed by

Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
June 3, 2009

Statement of Financial Position

(in thousands)

as at March 31, 2009

	2009
Assets	
Cash (Note 3)	$ 100,012
	$ 100,012
Net Assets	
Net Assets at Beginning of Year	—
Net Operating Results	100,012
Net Assets at End of Year	100,012
	$ 100,012

The accompanying notes are part of these financial statements.

Statement of Operations

(in thousands)

for the year ended March 31, 2009

	2009	
	Budget	Actual
Revenue		
Internal Government Transfers		
Transfers from Department of Advanced Education and Technology	$ 100,000	$ 100,053
Investment Income		
Interest	2,000	12
	102,000	100,065
Expense		
Operating	—	53
	—	53
Net Operating Results	$ 102,000	$ 100,012

The accompanying notes are part of these financial statements.

Statement of Cash Flows

(in thousands)

for the year ended March 31, 2009

	2009
Operating Transactions	
Net Operating Results	$ 100,012
Increase (Decrease) in Cash	100,012
Cash, Beginning of Year	—
Cash, End of Year	$ 100,012

The accompanying notes are part of these financial statements.

Approved by the Board of Directors

original signed by
Paul Haggis
Director
Alberta Enterprise Corporation

original signed by
Brad Zumwalt
Director
Alberta Enterprise Corporation

Notes to the Financial Statements

March 31, 2009

Note 1

Authority and Purpose

The Alberta Enterprise Corporation (the Corporation) is a Provincial Corporation that operates under the authority of the *Alberta Enterprise Corporation Act*.

The Alberta Enterprise Corporation was established on December 5, 2008 and is part of a strategy to encourage technology commercialization and promote growth in Alberta's venture capital industry.

Note 2

Summary of Significant Accounting Policies and Reporting Practices

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

(a) Reporting Entity

The reporting entity is the Corporation, which is part of the Ministry of Advanced Education and Technology and for which the Minister of Advanced Education and Technology is accountable. The other entities reporting to the Minister are the Department of Advanced Education and Technology, the Alberta Research Council Inc. (ARC), Access to the Future Fund (AFF) and the Informatics Circle of Research Excellence Inc. (iCORE). Entities accountable to the Minister are the Public Post-Secondary Institutions (universities, technical institutes, public colleges and the Banff Centre). The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Expenses

Expenses are recognized when authorized, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made.

Assets

Financial assets of the Corporation are limited to cash or interest receivable.

Net Assets

Net assets represent the difference between the carrying value of assets held by the Corporation and its liabilities.

Note 3

Cash

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2009, securities held by the Fund have a time-weighted rate of return of 3.0% per annum.

Note 4

Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Corporation received a $100,053 transfer from the Department of Advanced Education and Technology. This amount is reflected on the Statement of Operations at the amount of consideration agreed upon between the related parties.

Note 5

Approval of Financial Statements

The financial statements were approved by the Board of Directors.

Access to the Future Fund

Access to the Future Fund

Financial Statements

March 31, 2009

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1 *Renaissance Fund – Funding Provided to Eligible Recipients*

2 *Innovation Fund – Projects*

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Minister of Advanced Education and Technology

I have audited the statement of financial position of the Access to the Future Fund as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

original signed by

Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
June 3, 2009

Statement of Operations

(in thousands)

for the year ended March 31, 2009

	2009		2008
	Budget	Actual	Actual
Revenue			
Internal Government Transfers			
Transfer from Department of Finance and Enterprise	$ 47,080	$ 47,126	$ 45,709
Investment Income			
Interest	350	447	1,532
Total Revenue	47,430	47,573	47,241
Expense			
Program			
Access to the Future Fund (Schedule 1 and 2)	47,183	46,256	50,391
Program Delivery Support	450	282	183
Total Expenses	47,633	46,538	50,574
Net Operating Results	$ (203)	$ 1,035	$ (3,333)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

(in thousands)

as at March 31, 2009

	2009	2008
Assets		
Cash (Note 4)	$ 12,413	$ 32,733
	$ 12,413	$ 32,733
Liabilities		
Accounts Payable and Accrued Liabilities	$ 4,872	$ 26,227
	4,872	26,227
Net Assets		
Net Assets at Beginning of Year	6,506	9,839
Net Operating Results	1,035	(3,333)
Net Assets at End of Year	7,541	6,506
	$ 12,413	$ 32,733

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

(in thousands)

for the year ended March 31, 2009

	2009	2008
Operating Transactions		
Net Operating Results	$ 1,035	$ (3,333)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(21,355)	26,227
Cash (Applied to) Generated from Operating Transactions	(20,320)	22,894
(Decrease) Increase in Cash	(20,320)	22,894
Cash and Cash Equivalents, Beginning of Year	32,733	9,839
Cash and Cash Equivalents, End of Year	$ 12,413	$ 32,733

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2009

Note 1

Authority and Purpose

The Access to the Future Fund (the Fund) operates under the authority of the *Access to the Future Act*.

The purpose of the Fund is to support innovation and excellence by enhancing and expanding opportunities for Albertans to participate in accessible, affordable and high-quality advanced education opportunities. The Fund has two programs:

- The Renaissance Fund provides matching payments to stimulate donations for post-secondary institutions and apprenticeship scholarships. Eligible recipients for the Renaissance Fund matching program are Public Post-Secondary Institutions, Private university colleges, Aboriginal colleges and Alberta Apprenticeship and Industry Training Scholarships. Each year, eligible organizations are allocated a proportion of the total available funding and are provided the flexibility and autonomy to identify priority donations for matching.
- The Innovation Fund supports project-based initiatives aimed at increasing innovation, collaboration and participation within the advanced learning system.

Note 2

Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the Fund.

(a) Reporting Entity

The reporting entity is the Access to the Future Fund, which is part of the Ministry of Advanced Education and Technology and for which the Minister of Advanced Education and Technology is accountable. The other entities reporting to the Minister are the Department of Advanced Education and Technology, the Alberta Research Council Inc, iCORE Inc, and Alberta Enterprise Corporation. Entities accountable to the Minister are the Public Post-Secondary Institutions (universities, technical institutes, public colleges and the Banff Centre). The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Expenses

Grants are recognized as expenses when authorized, eligibility criteria, if any, are met, and a reasonable estimate of the amounts can be made.

Assets

Financial assets of the Fund are limited to cash or interest receivable from the General Revenue Fund of the Province of Alberta (General Revenue Fund).

Net Assets

Net assets represent the difference between the carrying value of assets held by the Fund and its liabilities.

Note 3

Advanced Education Endowment

(in thousands)

	2009	2008 (Restated)
Opening balance	$ 1,047,238	$ 1,015,750
Allocation to endowment	—	—
Inflation proofing	27,228	31,488
Closing balance	$ 1,074,466	$ 1,047,238

The Advanced Education Endowment (the Endowment) is an account within the Alberta Heritage Savings Trust Fund that was established by the *Access to the Future Act*. As per section 7 of the *Access to the Future Act*, an amount equal to 4.5% of the total amount allocated to the Endowment shall be paid annually from the General Revenue Fund to the Fund.

The Endowment is inflation-proofed in accordance with section 6 of the *Access to the Future Act* and section 11 of the *Alberta Heritage Savings Trust Fund Act*. The amount of funding allocated to the Endowment for inflation proofing is an estimate and the actual amount will not be known until after the finalization of the Alberta Heritage Savings Trust Fund financial statements.

Note 4

Cash

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2009, securities held by the Fund have a time-weighted rate of return of 3.0% per annum (2008: 4.5% per annum).

Note 5

Related Party Transactions

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include the Department.

The Fund had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

	Entities in the Ministry		Other Entities	
	2009	2008	2009	2008
Revenues				
Transfer from Department of Finance and Enterprise	$ —	$ —	$ 47,125	$ 45,709
	$ —	$ —	$ 47,125	$ 45,709
Expense - Directly Incurred				
Grants	$ 42,718	$ 44,166	$ 807	$ 725
Program Delivery Support	282	183	—	—
	$ 43,000	$ 44,349	$ 807	$ 725
Payable to	$ 3,272	$ 20,602	$ —	$ 725

Note 6

Commitments

Grants totaling $2,677,812 (2008 - $0) have met eligibility criteria and will be authorized for payment as monies are approved from the fund.

Note 7

Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Schedule to the Financial Statements

for the year ended March 31, 2009

Schedule 1

Renaissance Fund – Funding Provided to Eligible Recipients

(in thousands)

	2009	2008
Public Post-Secondary Institutions		
Alberta College of Art and Design	$ 1,244	$ 671
Athabasca University	1,050	1,200
Bow Valley College	1,200	1,200
Grande Prairie Regional College	695	1,346
Grant MacEwan College	3,000	3,000
Keyano College	1,200	1,200
Lakeland College	1,057	788
Lethbridge College	1,200	1,200
Medicine Hat College	1,200	1,200
Mount Royal College	3,000	3,000
NorQuest College	1,200	1,200
Northern Alberta Institute of Technology	3,000	3,000
Northern Lakes College	71	293
Olds College	1,200	1,200
Portage College	501	632
Red Deer College	1,200	1,200
Southern Alberta Institute of Technology	3,000	3,000
The Banff Centre	1,200	1,200
The University of Alberta	5,000	5,000
The University of Calgary	5,000	5,000
The University of Lethbridge	3,000	3,000
	39,218	39,530
Accredited Private Not-for-Profit Post-Secondary Institutions		
Ambrose University College	200	200
Canadian University College	200	200
Concordia University College of Alberta	200	200
St. Mary's University College	200	200
Taylor University College and Seminary	200	200
The King's University College	200	200
	1,200	1,200
First Nations, Métis and Inuit Colleges		
Blue Quills First Nations College	400	—
Maskwachees Cultural College	200	242
Nechi Training, Research and Health Promotions Institute	200	200
Old Sun Community College	200	200
Red Crow Community College	200	200
Yellowhead Tribal College	200	200
	1,400	1,042
AIT Scholarships		
Alberta Heritage Scholarship Fund	807	725
	807	725
Total	$ 42,625	$ 42,497

Schedule 2

Innovation Fund – Projects

(in thousands)

	2009
Humanities 101 (St. Mary's College)	$ 131
Experiential and Collaborative Learning in Physical Science Education	1,750
Advanced Microscopy Equipment to Improve Undergraduate Science Education	1,750
Total	$ 3,631

	2008
Alberta Nonprofit/Voluntary Sector Community Capacity Innovation Project	$ 2,000
Enhancing Collaboration and Improving the Learning Environment	1,660
Interdisciplinary Health Sciences Education	935
Secondary to Post-Secondary Career Technology and Trades Skills	655
Nechi Program Recognition Project	498
Best Practices for Attracting and Retaining Learners from Under-Represented Populations	327
Text to Speech Technology	293
Curriculum Commons Model for Post-Secondary Institutions	241
Collaborative Clinical Instructional Model for Baccalaureate Nursing Education	237
Childcare Training for Low Literacy Immigrant Women	233
Transitioning Rural Learners	205
Prior Learning Assessment and Recognition (PLAR)	200
Clinical Skills Development Model and Technology Framework	181
Practical Nursing Education in Rural Settings	146
Health Care Aide Curriculum Enhancements	83
Total	$ 7,894

Alberta Research Council Inc.

Alberta Research Council Inc.

Consolidated Financial Statements

March 31, 2009

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2 *Schedule of Segmented Information*

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Board of Directors of the Alberta Research Council Inc.

I have audited the consolidated balance sheet of the Alberta Research Council Inc. as at March 31, 2009 and the consolidated statements of revenue and expense and operating equity and cash flows for the year then ended. These financial statements are the responsibility of the Alberta Research Council Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Alberta Research Council Inc. as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

original signed by

Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
May 14, 2009

Consolidated Balance Sheet

(in thousands)

as at March 31, 2009

	2009	2008
Assets		
Current:		
Cash (Note 3)	$ 17,457	$ 12,905
Accounts receivable (Notes 4 and 7)	13,822	12,759
Accrued income receivable (Note 7)	4,415	5,399
Prepaid expenses	420	441
	36,114	31,504
Long-term:		
Property, plant and equipment (Note 6)	24,903	25,311
	$ 61,017	$ 56,815
Liabilities and Equity		
Current:		
Accounts payable and accrued liabilities (Note 7)	$ 15,284	$ 17,069
Unearned contract revenue (Note 7)	15,292	10,799
	30,576	27,868
Long-term:		
Unamortized external capital contribution (Note 5)	1,653	1,435
	32,229	29,303
Contingencies (Note 8)		
Commitments (Note 9)		
Equity:		
Operating	28,788	27,512
	$ 61,017	$ 56,815

The accompanying notes and schedules are an integral part of these financial statements.

Approved by the Board of Directors

original signed by
Annette Trimbee
Director

original signed by
Donald F. Jackson
Director

Consolidated Statement of Revenue and Expense and Operating Equity

(in thousands)

for the year ended March 31, 2009

	2009		2008
	Budget	Actual	Actual
	(Note 14)	(Schedules 1 & 2)	
Revenue			
Investment from the Province of Alberta:			
General revenues (Note 7)	$ 30,360	$ 30,360	$ 28,702
Contract revenue:			
Commercial	47,457	42,448	40,009
Alberta government departments and agencies (Note 7)	11,104	11,695	9,638
Royalties, licensing fees and product sales	2,939	3,904	3,623
Interest income	750	776	915
	92,610	89,183	82,887
Expense			
Salaries, wages and benefits (Notes 7, 11 and 12)	59,032	56,688	53,353
Professional, technical and labour services (Note 7)	11,807	11,827	9,864
Materials and supplies	5,868	4,475	4,658
Other expenses (Note 7)	2,530	3,269	2,289
Travel and hospitality	2,855	2,468	2,111
Amortization	3,036	2,336	2,100
Provision for impairment of software and equipment	—	2,321	552
Computing supplies and services	1,797	1,567	1,718
Maintenance and rental	896	1,082	539
Legal and patent	921	920	933
Telephone	501	553	489
Insurance (Note 7)	420	392	350
Loss on sale of equipment	—	9	20
Royalty expense	—	—	8
	89,663	87,907	78,984
Net earnings for the year	2,947	1,276	3,903
Operating equity at beginning of year	27,512	27,512	23,609
Operating equity at end of year	$ 30,459	$ 28,788	$ 27,512

The accompanying notes and schedules are an integral part of these financial statements.

Consolidated Statement of Cash Flows

(in thousands)

for the year ended March 31, 2009

	2009	2008
Cash Provided by (Used in)		
Operating activities:		
Net earnings for the year	$ 1,276	$ 3,903
Amortization	2,336	2,100
Provision for impairment of equipment	2,321	552
Loss on sale of equipment	9	20
	5,942	6,575
Net change in non-cash balances (Note 10)	2,650	503
Net cash provided by operating activities	8,592	7,078
Investing activities:		
Purchases of property, plant and equipment	(4,052)	(6,530)
Proceeds on disposal of property, plant and equipment	12	217
Net cash used by investing activities	(4,040)	(6,313)
Increase in cash	4,552	765
Cash at beginning of year	12,905	12,140
Cash at end of year	$ 17,457	$ 12,905
Supplementary cash flow information:		
Interest received	$ 776	$ 915

The accompanying notes and schedules are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2009

Note 1

Authority and Purpose

The Alberta Research Council Inc. is incorporated under the *Alberta Business Corporations Act* (Alberta).

The Alberta Research Council Inc. ("Research Council") is a subsidiary of the Ministry of Advanced Education and Technology of the Province of Alberta. The Ministry of Advanced Education and Technology and its wholly owned subsidiaries are exempt from the payment of income tax under Section 149 of the *Income Tax Act*.

The mission of the Research Council is to develop and help deploy innovative science and technology solutions for the benefit of Alberta.

Note 2

Summary of Significant Accounting Policies and Reporting Practices

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent upon future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. These consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

(a) Basis of Consolidation

These consolidated financial statements include the accounts of the Research Council and its wholly owned subsidiary, C-FER Technologies (1999) Inc. All intercompany balances and transactions have been eliminated on consolidation.

(b) Property, Plant and Equipment

Property, plant and equipment are recorded at cost and are amortized on a straight-line basis over their estimated useful lives using the following annual rates:

Building	Thirty years
Leasehold improvements	Twenty-five years
Equipment	Five to twenty years
Furniture and fixtures	Five years
Computer equipment and software	Three years

Contributed property, plant and equipment are recorded at fair value at the date of contribution.

(c) Patents and Other Intangible Assets

Expenses incurred related to patents owned by the Research Council as a result of research activity are not capitalized due to the uncertain value of benefits which may accrue to the Research Council.

Expenses incurred on the development of other intangible assets including intellectual capital are not capitalized as there currently is not an acceptable methodology for measuring the value of future benefits accruing to the Research Council.

(d) Revenue Recognition

General revenues received from the Province of Alberta are recognized as revenue in the year the transfers to the Research Council are authorized by the Government of Alberta.

Contract revenue is recognized using the percentage of completion method. The Research Council makes full provision for all known or estimated losses on uncompleted contracts as soon as they can reasonably be estimated.

Royalties and licensing fees are recognized as they accrue in accordance with the relevant agreements and when the amount can be reasonably estimated and there is reasonable assurance of collectability of proceeds.

Revenue from product sales is recognized when products are delivered.

(e) Expenses Incurred by Others

Services contributed by other entities in support of the Research Council's operations have not been recorded in the financial statements and are disclosed in Schedule 1.

Note 2

Summary of Significant Accounting Policies and Reporting Practices (continued)

(f) Pension Plans

The Research Council participates in multi-employer pension plans with related government entities. Pension costs included in these financial statements are comprised of the cost of employer contributions for the current service of employees during the year and additional employer contributions for service relating to prior years.

(g) Impairment of Long-Lived Assets

Long-lived assets are assessed for impairment when events and circumstances warrant. The carrying value of a long-lived asset is impaired when the carrying amount exceeds the estimated undiscounted net cash flow and exceeds fair value. In that event, the amount by which the carrying value of an impaired long-lived asset exceeds its fair value is charged to earnings. Fair value is generally determined using a discounted cash flow analysis.

(h) Foreign Currency

Monetary assets are translated at rates of exchange in effect at year-end. Income items expressed in foreign currencies are translated at the rates of exchange prevailing on the date of the transaction. Gains and losses are included in income in the year incurred.

(i) Financial Instruments (Note 13)

The Research Council has classified its financial instruments as follows:

Cash is classified as "Held for trading" and is measured at fair value.

Accounts receivable and accrued income receivable are classified as "Loans and Receivables" and are measured at fair value which approximates carrying value due to their short-term to maturity.

Accounts payable and accrued liabilities are classified as "Other Financial Liabilities" and are measured at fair value which approximates carrying value due to their short-term to maturity.

The fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration given or received. Transaction costs on financial instruments are expensed when incurred.

All financial derivative instruments are recorded at fair value unless exempted from derivative treatment as a normal purchase and sale. The Research Council has determined that they do not have any derivatives.

(j) Future Accounting Pronouncements

The Public Sector Accounting Board ("PSAB") establishes generally accepted accounting principles ("GAAP") for government and government organizations. PSAB has issued an Invitation to Comment on the Financial Reporting Framework to be used by government organizations such as the Research Council. The Invitation to Comment outlines four alternatives along with the current requirement. These alternatives indicate the circumstances when government organizations would either be required to apply International Financial Reporting Standards (IFRS) or be able to self select IFRS or the Public Sector Accounting Handbook as the accounting framework. PSAB expects to issue a revised standard in September 2009.

Note 3

Cash

Cash consists primarily of deposits in the Consolidated Cash Investment Trust Fund ("CCITF") of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As of March 31, 2009, securities held by the Fund have an annualized rate of return of 3.0% per annum (2008 - 4.5% per annum).

Note 4

Accounts Receivable

(in thousands)

	2009	2008
Commercial	$ 12,364	$ 11,584
Alberta government departments and agencies (Note 7)	1,458	1,175
	$ 13,822	$ 12,759

Commercial accounts receivable are recorded net of $1,156 (2008 - $842) of allowance for doubtful accounts.

Note 5

Refiner

(in thousands)

During the previous fiscal year, the Research Council received a donated laboratory refining system (refiner). The refiner has been recorded as property, plant and equipment at its estimated fair market value of $1,435.

Offsetting the charge to property, plant and equipment is a credit of $1,653 shown as unamortized external capital contribution (deferred revenue). This includes $1,435 for the value of the refiner plus $218 for funding that has been received towards installation and commissioning. The deferred revenue will be recognized as revenue in the future as the refiner is amortized. The amount of revenue recognized will be offset by the amount of amortization expense; therefore, the effect on net earnings will be zero.

The total estimated capitalized cost of the refiner will be $2,333 including installation and commissioning costs paid by the Research Council. The refiner is expected to be operational during the 2009-10 fiscal year.

Note 6

Property, Plant and Equipment

(in thousands)

	2009			2008
	Cost	Accumulated Amortization	Net	Net
Land	$ 566	$ —	$ 566	$ 566
Building	2,179	710	1,469	1,537
Leasehold improvements	2,123	498	1,625	1,412
Equipment	45,306	24,706	20,600[1]	19,467
Furniture and fixtures	167	119	48	67
Computer equipment and software	2,048	1,453	595	2,262
	$ 52,389	$ 27,486	$ 24,903	$ 25,311

(1) The Research Council has entered into two agreements with Western Economic Diversification and received $776 toward the cost of equipment. This revenue is recognized into income through commercial revenue over the useful life of the assets. For the year ended March 31, 2009, the Research Council has recognized $46 (2008 - $61) of revenue of the total amount of $776.

Note 7

Related Party Transactions

(in thousands)

The following tables summarize the Research Council's related party transactions for the year. These transactions were in the normal course of operations and are measured at the exchange value, which is the amount of consideration established and agreed to by the related parties.

Revenues

Related Party	Relationship	Transaction	2009	2008
Advanced Education and Technology	Ministry	Operating Grant	$ 30,360	$ 28,702
Advanced Education and Technology	Ministry	Contract Revenue	8,324	7,034
Agriculture and Rural Development	Ministry	Contract Revenue	544	662
Employment and Immigration	Ministry	Contract Revenue	127	220
Energy	Ministry	Contract Revenue	240	45
Environment	Ministry	Contract Revenue	1,626	1,449
Sustainable Resource Development	Ministry	Contract Revenue	608	102
Other ministries (1)	Ministry	Contract Revenue	226	126
			11,695	9,638
			$ 42,055	$ 38,340

Expenses

Related Party	Relationship	Transaction	2009	2008
Finance and Enterprise	Ministry	Insurance	394	349
Other ministries (1)	Ministry	Miscellaneous	209	161
			$ 603	$ 510

(1) Other ministries include related party amounts less than $100.

Note 7

Related Party Transactions (continued)

(in thousands)

Included in accounts receivable are the following related party balances:

Related Party	Relationship	2009	2008
Advanced Education and Technology	Ministry	$ 665	$ 745
Agriculture and Rural Development	Ministry	297	140
Environment	Ministry	403	224
Other ministries	Ministry	93	66
		$ 1,458	$ 1,175

Included in accounts payable is the following related party balance:

Related Party	Relationship	2009	2008
Other ministries	Ministry	$ 6	$ 27

Included in unearned contract revenue are the following related party balances:

Related Party	Relationship	2009	2008
Advanced Education and Technology	Ministry	$ 2,935	$ 1,566
Environment	Ministry	112	290
Finance and Enterprise	Ministry	138	—
Sustainable Resource Development	Ministry	217	—
Other ministries	Ministry	97	181
		$ 3,499	$ 2,037

Included in accrued income receivable is the following related party balances:

Related Party	Relationship	2009	2008
Advanced Education and Technology	Ministry	$ 708	$ 202
Environment	Ministry	—	117
Other ministries	Ministry	103	5
		$ 811	$ 324

Accommodation Costs

The premises occupied by the Research Council, as well as some office furniture and tenant improvements, have been provided by the Province of Alberta at no cost (see Schedule 1).

Note 8

Contingencies

(in thousands)

During fiscal 2000, the Research Council was made aware of a $2,200,000 claim relating to intellectual property ownership, which was filed by a former employee. Management believes that the claim is without merit; however, the likelihood of loss is not determinable at this time. Any settlement that may occur would be accounted for as a charge against earnings in the year of settlement.

Note 9

Commitments

(in thousands)

Future minimum lease payments for equipment, building space and vehicles over the next five years and in total are as follows:

Year ending March 31, 2010	$ 190
2011	148
2012	125
2013	120
2014	40
	$ 623

Note 10 Net Change in Non-Cash Working Capital Balances

(in thousands)

	2009	2008
Accounts receivable	$ (1,063)	$ 467
Accrued income receivable	984	(1,971)
Prepaid expenses	21	(77)
Accounts payable and accrued liabilities	(1,785)	(497)
Unearned contract revenue	4,493	2,581
	$ 2,650	$ 503

Note 11 Pension Plan

(in thousands)

The Research Council participates in three multi-employer pension plans, Management Employees Pension Plan, Supplementary Retirement Plan and Public Service Pension Plan, as well as a Defined Contribution Plan. The expense for these pension plans is equivalent to the annual contributions of $3,514 for the year ended March 31, 2009 (2008 - $3,195).

Note 12 Board of Directors and Senior Executive Salaries and Benefits

	2009				2008
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Chair of the Board (4)	$ —	$ —	$ —	$ —	$ 6,099
Board Members	—	41,047	—	41,047	30,829
Chief Executive Officer	225,000	163,256	4,084	392,340	347,509
Executive / Vice Presidents					
Chief Financial Officer	166,632	54,864	41,502	262,998	234,498
Vice-President, Energy	176,016	61,604	40,313	277,933	250,354
Vice-President, Engineered Products and Services (5)	167,220	37,601	18,859	223,680	90,530
Vice-President, Communications and Public Affairs	165,612	34,158	38,718	238,488	198,116
Vice-President, Life Sciences	161,256	53,125	37,818	252,199	232,673

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, overtime, car allowance, payments made in lieu of benefits, lump sum payments and honoraria.

(3) Other non-cash benefits includes the employer's share of the cost of pension and Supplementary Retirement Plan, Canada Pension Plan, Employment Insurance, dental, major medical, basic life insurance, short and long-term disability, employee health care expense accounts and membership fees.

(4) The Chair of the Board was not paid remuneration by the Research Council. During fiscal 2008, the previous Chair of the Board was paid remuneration from June 1, 2007 to February 4, 2008.

(5) During fiscal 2008, the Vice-President, Engineered Products and Services position was vacant from April 1, 2007 to September 30, 2007.

Note 13

Financial Instruments

The Research Council's financial instruments are exposed to certain financial risk, including credit risk, liquidity and market risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Research Council if a customer or party to a financial instrument fails to meet its contractual obligation and arises principally from the Research Council's cash, accounts receivable and accrued income receivable. The maximum amount of credit risk exposure is limited to the carrying value of the balances disclosed in these financial statements.

The Research Council manages its exposure to credit risk on cash by placing these financial instruments with CCITF (Note 3).

The Research Council monitors the credit risk and credit rating of all customers on a regular basis. Aged receivable balances are monitored and an allowance for credit losses is provided in the period in which the losses become known. Balances are considered for impairment on a case by case basis when they are over 90 days past due or if there is indication that a customer will default.

(b) Liquidity risk

Liquidity risk is the risk that the Research Council will not be able to meet its financial obligations as they become due. On a day to day basis, the Research Council's management reduces liquidity risk by monitoring forecasted and actual cash flows to ensure sufficient liquidity to meet its liabilities. Funds on deposit with CCITF (Note 3) are all available on demand. Accounts payable and accrued liabilities are due within the current operating period. For financial commitments, see Note 9.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign currency and interest rates will affect the Research Council's earnings or the value of the financial instruments held.

Foreign currency risk is the risk that the fair value of future cash flows for financial instruments will fluctuate because of the exchange in foreign exchange rates and the degree of volatility of these rates relative to the Canadian dollar. The Research Council is exposed to the risk of earnings fluctuations arising from foreign exchange rates at it earns revenues denominated in U.S. dollars.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Research Council is subject to interest rate risk arising primarily from fluctuations in rates on its cash balance. The Research Council's cash consists of funds primarily on deposit with CCITF as described in Note 3.

Note 14

Capital Management

The Research Council's objective when managing capital is to advance the Alberta economy by creating sustainable prosperity – jobs, wealth, and well-being. The Research Council defines capital it manages as its operating equity. All operating surplus is either retained or reinvested in the Research Council's operations or property, plant and equipment. The Research Council does not maintain capital for buildings as these are managed by Alberta Infrastructure. The Research Council manages its capital structure and makes adjustments to it in light of economic conditions.

Note 15

Budget

The 2009 budget was approved by the Board of Directors on March 20, 2008.

Note 16

Pending Legislation

The Government of Alberta has introduced Bill 27 *Alberta Research and Innovation Act* with the intent of implementing a framework which restructures provincially funded research and innovation organizations. The *Act* allows for the Lieutenant Governor to dissolve and restructure the Research Council. It is not known at this time what the impact will be on the Research Council.

Note 17

Comparative Figures

The comparative figures have been reclassified where necessary to conform with current year presentation.

Schedules to the Consolidated Financial Statements

for the year ended March 31, 2009

Schedule 1

Consolidated Schedule of Allocated Costs [1]

(in thousands)

for the year ended March 31, 2009

	2009			2008
	Expense	Expenses Incurred by Others — Accommodation Costs	Total Expenses	Total Expenses
	(2)	(3)		
Total Expense	$ 87,907	$ 21,820	$ 109,727	$ 97,846

(1) If these allocated costs were paid for by the Research Council, the Province's contribution to the Research Council would be increased by $21,820 making total revenue for 2009 $111,003. Net profit for 2009 would have remained at $1,276.

(2) Expenses as per Consolidated Statement of Revenue and Expense and Operating Equity.

(3) Accommodation costs, including premises occupied by the Research Council, as well as some office furniture and tenant improvements, have been provided by the Province of Alberta at no cost. The Province's costs to provide this support are as follows:

	2009	2008
Accommodation cost		
Building maintenance	$ 14,241	$ 11,138
Grants in lieu of taxes	2,407	2,186
Lease costs	1,977	2,143
Project expenses	109	357
Amortization	3,086	3,038
	$ 21,820	$ 18,862

Schedule 2

Schedule of Segmented Information

(in thousands)

for the year ended March 31, 2009

The Research Council has four reportable segments: energy, engineered products and services, life sciences and corporate/commercialization. These segments represent the company's management structure and internal financial reporting.

The Research Council derives revenue through technology development, demonstration and deployment work, conducted within these units. Energy develops and helps industry deploy technologies that improve recovery and reduce the production costs for hydrocarbon, cleaner and alternative energy technologies. Engineered Products and Services develop and deploy value-added bio-based products and processes. Life Sciences helps capture the full commercial potential of new discoveries; bringing together industry, government and communities to create innovative science and technology solutions that enrich life with environmental, economic and social benefits.

Corporate/commercialization includes general and administrative expenses that are not allocated to specific segments. Revenues include interest, royalty and other revenues that have not been allocated to specific segments.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies in Note 2. The Research Council evaluates performance based on operating surplus or deficit before extraordinary items and discontinued operations.

Financial information by reportable segment for the years ended March 31, 2009 and 2008 is as follows:

i) Operating results by operating segment

	2009					2008				
	Energy	Engineered Products & Services	Life Sciences	Corporate / Commercialization	Total	Energy	Engineered Products & Services	Life Sciences	Corporate / Commercialization	Total
External revenue	$ 32,849	$ 9,397	$ 14,479	$ 2,098	$ 58,823	$ 28,217	$ 7,980	$ 14,850	$ 3,138	$ 54,185
Draw on Provincial Investment Funds	5,251	4,174	8,643	12,292	30,360	4,823	4,923	9,473	9,483	28,702
	$ 38,100	$ 13,571	$ 23,122	$ 14,390	$ 89,183	$ 33,040	$ 12,903	$ 24,323	$ 12,621	$ 82,887
Amortization of segment property, plant and equipment	$ 853	$ 409	$ 887	$ 187	$ 2,336	$ 760	$ 360	$ 817	$ 163	$ 2,100
Segment earnings (loss)	$ 4,358	$ 1,536	$ 249	$ (4,867)	$ 1,276	$ 4,475	$ 1,917	$ 2,713	$ (5,202)	$ 3,903

ii) Segment operating property, plant and equipment

	2009					2008				
	Energy	Engineered Products & Services	Life Sciences	Corporate / Commercialization	Total	Energy	Engineered Products & Services	Life Sciences	Corporate / Commercialization	Total
Segment property, plant and equipment purchased during the year	$ 1,375	$ 1,053	$ 1,037	$ 587	$ 4,052	$ 2,208	$ 1,223	$ 2,217	$ 882	$ 6,530
Segment property, plant and equipment donated during the year	$ —	$ 218	$ —	$ —	$ 218	$ —	$ 1,435	$ —	$ —	$ 1,435
Total segment property, plant and equipment	$ 9,064	$ 7,416	$ 7,333	$ 1,090	$ 24,903	$ 8,632	$ 6,554	$ 7,258	$ 2,867	$ 25,311

Schedule 2

Schedule of Segmented Information *(continued)*

(in thousands)

for the year ended March 31, 2009

C-FER Technologies (1999) Inc.

C-FER Technologies (1999) Inc. ("C-FER") is a wholly owned subsidiary of the Research Council and is included within the Energy Segment presented above. Separate financial statements are not provided for C-FER as its business is closely integrated with that of the Research Council and disclosure in these statements is considered adequate. The following aggregate amounts are included in these consolidated financial statements in respect of C-FER's financial position, results of operations and cash flows:

	2009	2008
Balance Sheet		
Current assets	$ 4,125	$ 3,894
Property, plant and equipment	4,026	3,789
Current liabilities	4,611	4,876
Statement of Operations		
Total revenue	$ 11,134	$ 9,654
Total expenses	10,401	9,058
Net earnings from operations	733	596
Statement of Cash Flows		
Cash provided by operating activities	$ 2,135	$ 814
Cash used in investing activities	(521)	(615)

iCORE Inc.

iCORE Inc.

Financial Statements

for the year ended March 31, 2009

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1 *Board of Directors and Senior Executive Salaries and Benefits*

2 *Related Party Transactions*

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Board of Directors of iCORE Inc.

I have audited the statement of financial position of the Alberta Information Circle of Research Excellence Inc. (iCORE) as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the iCORE Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of iCORE Inc. as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

original signed by

Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
May 7, 2009

Statement of Operations

(in thousands)

for the year ended March 31, 2009

	2009		2008
	Budget	Actual	Actual
Revenues			
Internal Government Transfers (Schedule 2)	$ 11,306	$ 12,806	$ 12,458
Other Revenue	—	76	105
	11,306	12,882	12,563
Expenses – Directly Incurred			
Research Grants (Schedule 2)	9,788	11,424	11,216
Salaries and Benefits	840	866	784
Communications, Outreach and Projects	343	290	305
Supplies and Services	335	298	247
	11,306	12,878	12,552
Net Operating Results	$ —	$ 4	$ 11

The accompanying notes and schedules are part of these financial statements.

Approved by the Board of Directors

original signed by
Dr. Seamus O'Shea
Chair of the Board
iCORE Inc.

original signed by
Dan Bader
Chair of the Audit Committee
iCORE Inc.

Statement of Financial Position

(in thousands)

as at March 31, 2009

	2009	2008
Current Assets		
Cash	$ 1,754	$ 118
Accounts Receivable	4	8
	1,758	126
Long-term Assets		
Prepaid Expenses	50	30
	$ 1,808	$ 156
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 1,763	$ 115
	1,763	115
Contractual Obligations (Note 3)		
Net Assets		
Net Assets at Beginning of Year	41	30
Net Operating Results	4	11
Net Assets at End of Year	45	41
	$ 1,808	$ 156

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

(in thousands)

for the year ended March 31, 2009

	2009	2008
Cash Provided by (Used in)		
Operating Transactions		
Net Operating Results	$ 4	$ 11
Decrease in Accounts Receivable	4	7
Increase in Prepaid Expenses	(20)	(30)
Increase in Accounts Payable and Accrued Liabilities	1,648	7
Cash from Operating Transactions	1,636	(5)
Increase (Decrease) in Cash	1,636	(5)
Cash, Beginning of Year	118	123
Cash, End of Year	$ 1,754	$ 118

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

for the year ended March 31, 2009

Note 1

Authority

iCORE Inc. is incorporated under the *Alberta Business Corporations Act* (Alberta).

The Ministry of Advanced Education and Technology was established as a result of the government restructuring announced on December 13, 2006. iCORE Inc. is a subsidiary of the Ministry of Advanced Education and Technology of the Province of Alberta. The Ministry of Advanced Education and Technology and its wholly owned subsidiaries are exempt from the payment of income tax under Section 149 of the *Income Tax Act*.

The mandate of iCORE Inc. is to attract and grow a critical mass of outstanding researchers in the fields of computer science, electrical and computer engineering, physics, mathematics and other information and communications technology related disciplines. iCORE Inc. invests in the highest calibre research scientists and leaders who work on fundamental and applied problems in information and communications technology. It aims to fund iCORE Chairs at Alberta universities, around which world-class research teams will be developed.

Note 2

Summary of Significant Accounting Policies and Reporting Practices

These financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgement. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below which have been established by government for Provincial Corporations. All amounts are shown in Canadian dollars.

(a) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs iCORE Inc. has primary responsibility and accountability for, as reflected in the Government's budget documents.

Research grants are recognized when authorized and eligibility criteria are met.

Incurred by Others

Services contributed by other entities in support of iCORE Inc. operations are disclosed in Schedule 2.

Assets

Financial assets of iCORE Inc. are limited to financial claims recoverable at fiscal year end.

The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities represent all financial claims payable by iCORE Inc. at fiscal year end.

Net Assets / Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by iCORE Inc. and its liabilities.

Note 2

Summary of Significant Accounting Policies and Reporting Practices (continued)

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, accounts payable and accrued liabilities are estimated to approximate their book values.

Note 3

Contractual Obligations

(in thousands)

	2009	2008
Grant Agreements	$ 20,020	$ 19,419

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	2009
2010	$ 6,832
2011	6,131
2012	4,122
2013	2,400
Thereafter	535
	$ 20,020

Note 4

Graduate Student Grants

During the 2008-2009 fiscal year the graduate student grant program was entirely funded by the Ministry of Advanced Education and Technology. iCORE managed the program. The funding provided by the Ministry of Advanced Education and Technology is not reflected in these financial statements.

Note 5

Subsequent Event

The Government of Alberta has introduced Bill 27 *Alberta Research and Innovation Act* with the intent of implementing a research framework which restructures provincially funded research and innovation organizations. The proposed *Act* allows for the Lieutenant Governor to dissolve and restructure iCORE. This bill has been tabled in the Legislative Assembly but has not received royal assent. As a result, it is unknown at this time what the impact will be on iCORE.

Schedules to the Financial Statements

for the year ended March 31, 2009

Schedule 1

Board of Directors and Senior Executive Salaries and Benefits

for the year ended March 31, 2009

	2009			2008
	Base Salary (2)	Other Benefits (3)	Total	Total
Chair of the Board (1)	$ 23,139	$ —	$ 23,139	$ 12,488
President and Chief Executive Officer (2,3)	297,078	25,000	322,078	268,206
Vice President, Programs	120,000	—	120,000	180,338

Prepared in accordance with Treasury Board Directive 03/2004.

(1) Other board members receive no compensation.

(2) Base salary includes regular base pay. The salary amount (including benefits paid by the University) for the President and Chief Executive Officer is paid to the University of Alberta for 100% secondment.

(3) Cash benefits includes bonuses.

Schedule 2

Related Party Transactions

(in thousands)

for the year ended March 31, 2009

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in iCORE Inc.

iCORE Inc. and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

iCORE Inc. had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry	
	2009	2008
Revenues – Internal Government Transfers		
Grant from Department of Advanced Education and Technology	$ 12,806	$ 12,458
	$ 12,806	$ 12,458
Expenses – Directly Incurred		
Grant Payments to Post-Secondary Institutions	$ 11,184	$ 11,191
Payments to Alberta Research Council Inc.	7	10
	$ 11,191	$ 11,201

iCORE Inc. also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements.

	Entities in the Ministry	
	2009	2008
Expenses – Incurred by Others		
Accommodation from the Province of Alberta	$ 39	$ 39
	$ 39	$ 39

Public Post-Secondary Institutions

Public Post-Secondary Institutions

Financial Statements

Unaudited Information

Summary of Comprehensive Academic and Research Institutions

Summary of Baccalaureate and Applied Studies Institutions

Summary of Polytechnical Institutions

Summary of Comprehensive Community Institutions

Specialized Arts and Culture Institutions

Disclosure of Salaries and Benefits for President Positions

Summary of Significant Accounting Policies

Audited financial statements of the public post-secondary institutions are available on Advanced Education and Technology's website:

aet.alberta.ca

For a print version of the complete audited financial statements, contact the Post-Secondary Planning and Investment Branch:

780-415-4863

Summary of Comprehensive Academic and Research Institutions

Statement of Operations and Changes in Financial Position

for the year ended March 31, 2009

(in thousands)

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2009 Totals	2008 Totals (Restated)
Revenue						
Grants	$ 855,736	$ 565,547	$ 106,660	$ 39,768	$ 1,567,711	$ 1,403,747
Tuition and related fees	205,243	139,751	35,904	54,208	435,106	397,772
Non-credit tuition and related fees	—	17,415	—	—	17,415	15,608
Donations and contributions	108,215	83,099	1,332	1,228	193,874	150,592
Investment and royalty income	(42,302)	7,062	(11,709)	(2,463)	(49,412)	5,611
Sales, rentals and services	217,506	93,081	12,307	12,444	335,338	303,877
Amortization of deferred capital contributions	75,514	51,750	7,280	903	135,447	114,152
Miscellaneous revenue	—	—	2,558	121	2,679	1,299
	1,419,912	957,705	154,332	106,209	2,638,158	2,392,658
Expense						
Salaries	725,191	482,375	90,950	77,536	1,376,052	1,264,527
Employee benefits	137,285	87,691	15,830	—	240,806	191,365
Materials, supplies and services	304,354	153,306	18,565	25,579	501,804	454,598
Maintenance, utilities and property tax	103,857	46,092	6,347	2,744	159,040	139,981
Scholarships and bursaries	81,609	55,595	6,655	1,302	145,161	123,875
Travel	—	26,722	4,102	7,600	38,424	35,951
Cost of goods sold	—	15,833	3,141	—	18,974	18,663
Interest/Financing	10,604	1,374	653	—	12,631	12,071
Amortization of capital assets	124,598	80,975	14,098	2,977	222,648	199,527
Loss (gain) on disposal of capital assets	—	—	68	(15)	53	330
	1,487,498	949,963	160,409	117,723	2,715,593	2,440,888
Excess Revenue over Expenses	$ (67,586)	$ 7,742	$ (6,077)	$ (11,514)	$ (77,435)	$ (48,230)
Changes in Financial Position						
Cash (used) generated by operations	$ (147,305)	$ 120,093	$ 34,111	$ (4,157)	$ 2,742	$ (366,347)
Cash generated (used) by investing activities	(350,201)	(213,600)	(71,160)	854	(634,107)	(649,813)
Cash generated by financing activities	539,784	288,900	55,866	1,555	886,105	878,368
Increase (decrease) in cash and short-term investments	42,278	195,393	18,817	(1,748)	254,740	(137,792)
Cash and short-term investments at beginning of year, net of bank indebtedness	77,343	264,075	26,035	23,334	390,787	528,579
Cash and short-term investments at end of year, net of bank indebtedness	$ 119,621	$ 459,468	$ 44,852	$ 21,586	$ 645,527	$ 390,787

Summary of Comprehensive Academic and Research Institutions

Statement of Financial Position

as at March 31, 2009

(in thousands)

	University of Alberta	University of Calgary	University of Lethbridge	Athabasca University	2009 Totals	2008 Totals (Restated)
Assets						
Current:						
Cash and short-term investments	$ 839,579	$ 578,935	$ 44,852	$ 21,586	$ 1,484,952	$ 896,662
Accounts receivable	117,841	64,109	7,744	4,939	194,633	309,869
Inventories	17,309	17,607	669	4,040	39,625	33,499
Prepaid expenses and deposits	—	—	1,405	1,077	2,482	2,209
	974,729	660,651	54,670	31,642	1,721,692	1,242,239
Investments	790,326	355,962	120,409	39,992	1,306,689	1,640,987
Capital assets and collections	1,970,766	970,734	262,458	25,526	3,229,484	2,806,694
Other assets	—	19,356	3,121	71	22,548	24,691
	$ 3,735,821	$ 2,006,703	$ 440,658	$ 97,231	$ 6,280,413	$ 5,714,611
Liabilities and Net Assets						
Current:						
Accounts payable and accrued liabilities	$ 208,601	$ 90,613	$ 10,147	$ 3,351	$ 312,712	$ 246,837
Current portion of employee benefit liabilities	33,899	—	6,548	6,564	47,011	44,653
Deferred revenue	15,351	19,192	4,522	12,672	51,737	56,246
Deferred contributions	269,444	327,247	17,532	5,940	620,163	588,049
Current portion of long-term liabilities	10,483	22,124	840	117	33,564	15,983
	537,778	459,176	39,589	28,644	1,065,187	951,768
Long-term:						
Employee benefit liabilities	96,934	43,720	16,764	3,767	161,185	139,361
Deferred contributions	90,000	—	918	29	90,947	91,907
Deferred capital contributions	495,632	185,457	60,120	27,615	768,824	485,035
Universities Academic Pension Plan unfunded liability	—	—	—	4,330	4,330	3,570
Unamortized deferred capital contributions	1,329,723	708,289	149,380	12,525	2,199,917	1,838,891
Long-term debt	193,852	—	4,358	—	198,210	189,906
Other long-term liabilities	—	48,788	—	—	48,788	35,108
	2,206,141	986,254	231,540	48,266	3,472,201	2,783,778
Net Assets:						
Endowments	602,414	340,552	28,952	2,029	973,947	1,193,989
Investment in capital assets	450,023	202,435	107,880	13,072	773,410	737,384
Internally restricted	—	77,654	6,240	9,550	93,444	59,128
Unrestricted	(60,535)	(59,368)	26,457	—	(93,446)	(7,866)
Universities Academic Pension Plan unfunded liability	—	—	—	(4,330)	(4,330)	(3,570)
	991,902	561,273	169,529	20,321	1,743,025	1,979,065
	$ 3,735,821	$ 2,006,703	$ 440,658	$ 97,231	$ 6,280,413	$ 5,714,611

Summary of Baccalaureate and Applied Studies Institutions

Statement of Operations and Changes in Financial Position

for the year ended June 30, 2008

(in thousands)

	Grant MacEwan College	Mount Royal College	2008 Totals	2007 Totals
Revenue				
Grants	$ 89,653	$ 74,524	$ 164,177	$ 141,059
Sales, rentals and services	26,437	22,254	48,691	43,385
Tuition and related fees	53,147	35,432	88,579	83,170
Education contracts and contract programs	4,586	21,692	26,278	24,405
Investment income	3,419	6,539	9,958	9,623
Donations and contributions	1,460	2,162	3,622	4,004
Amortization of deferred capital contributions	5,952	6,432	12,384	11,202
Ancillary services	—	827	827	—
	184,654	169,862	354,516	316,848
Expenses				
Salaries, wages and benefits	102,543	106,432	208,975	188,885
Supplies and services	44,365	37,946	82,311	70,693
Amortization of capital assets	12,327	10,178	22,505	21,493
Maintenance, utilities and property tax	4,176	5,434	9,610	8,911
Scholarships and bursaries	1,899	2,407	4,306	3,108
Other	2,953	—	2,953	2,946
Loss on disposal of capital assets	—	—	—	84
	168,263	162,397	330,660	296,120
Excess Revenue over Expense	$ 16,391	$ 7,465	$ 23,856	$ 20,728
Changes in Financial Position				
Cash generated by operations	$ 19,329	$ 17,960	$ 37,289	$ 58,242
Cash used by investing activities	(31,089)	(16,298)	(47,387)	(46,617)
Cash generated by financing activities	9,216	2,512	11,728	62,592
(Decrease) increase in cash and short-term investments	(2,544)	4,174	1,630	74,217
Cash and short-term investments at beginning of year, net of bank indebtedness	92,388	42,805	135,193	60,976
Cash and short-term investments at end of year, net of bank indebtedness	$ 89,844	$ 46,979	$ 136,823	$ 135,193

Summary of Baccalaureate and Applied Studies Institutions

Statement of Financial Position

as at June 30, 2008

(in thousands)

	Grant MacEwan College	Mount Royal College	2008 Totals	2007 Totals
Assets				
Current:				
Cash and short-term investments	$ 89,844	$ 46,979	$ 136,823	$ 135,193
Accounts receivable	3,894	4,614	8,508	9,114
Inventories	1,538	657	2,195	2,674
Prepaid expenses and deposits	669	1,680	2,349	2,270
	95,945	53,930	149,875	149,251
Long-term:				
Investments	34,857	78,932	113,789	96,745
Capital assets	249,152	171,570	420,722	415,353
Long-term receivable	—	6,197	6,197	—
	$ 379,954	$ 310,629	$ 690,583	$ 661,349
Liabilities and Net Assets				
Current:				
Accounts payable and accrued liabilities	$ 13,497	$ 9,227	$ 22,724	$ 25,745
Accrued vacation pay	6,097	5,653	11,750	10,650
Unearned revenue	5,711	5,552	11,263	11,382
Deferred contributions	19,137	19,349	38,486	39,001
Current portion of long-term debt	1,633	2,190	3,823	2,706
	46,075	41,971	88,046	89,484
Long-term:				
Debt	51,106	43,515	94,621	94,752
Deferred contributions	—	8,243	8,243	12,298
Deferred capital contributions	1,523	12,336	13,859	17,168
Unamortized deferred capital contributions	145,202	124,358	269,560	263,821
Other long-term liabilities	—	—	—	—
	197,831	188,452	386,283	388,039
Net Assets:				
Endowments	21,886	29,781	51,667	45,215
Investment in capital assets	51,210	16,431	67,641	68,748
Internally restricted	61,753	31,600	93,353	57,880
Unrestricted:				
Accumulated excess of revenue over expenses	1,199	674	1,873	11,983
Accumulated net unrealized gain on investments	—	1,720	1,720	—
	136,048	80,206	216,254	183,826
	$ 379,954	$ 310,629	$ 690,583	$ 661,349

Summary of Polytechnical Institutions

Statement of Operations and Changes in Financial Position

for the year ended June 30, 2008

(in thousands)

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2008 Totals	2007 Totals
Revenue				
Grants	$ 170,774	$ 137,637	$ 308,411	$ 271,189
Earned revenue programs	36,067	42,959	79,026	81,903
Tuition and related fees	36,528	34,730	71,258	66,814
Donations and fund raising	4,900	3,968	8,868	7,410
Ancillary services	22,612	—	22,612	20,148
Sales, rentals and services	5,854	20,743	26,597	26,814
Investment income	4,530	3,713	8,243	8,567
Amortization of deferred capital contributions	11,381	8,106	19,487	17,357
	292,646	251,856	544,502	500,202
Expenses				
Salaries, wages and benefits	186,800	145,833	332,633	297,805
Supplies and services	63,258	39,460	102,718	98,409
Utilities	8,700	9,669	18,369	17,225
Interest expense	—	1,603	1,603	1,256
Facility rentals	1,677	—	1,677	1,036
Scholarships and bursaries	2,210	3,017	5,227	5,004
Repairs and maintenance	—	13,021	13,021	11,521
Capital amortization	19,896	19,471	39,367	34,227
Loss on disposal of capital assets	—	622	622	544
	282,541	232,696	515,237	467,027
Excess Revenue over Expenses	$ 10,105	$ 19,160	$ 29,265	$ 33,175
Changes in Financial Position				
Cash generated by operating activities	$ 29,879	$ 25,409	$ 55,288	$ 62,184
Cash used by investing activities	(44,712)	(55,709)	(100,421)	(121,658)
Cash generated by financing activities	36,412	71,245	107,657	44,445
Net increase (decrease) in cash and short-term investments	21,579	40,945	62,524	(15,029)
Cash and short-term investments at beginning of year	16,384	93,090	109,474	124,503
Cash and short-term investments at end of year	$ 37,963	$ 134,035	$ 171,998	$ 109,474

Summary of Polytechnical Institutions

Statement of Financial Position

as at June 30, 2008

(in thousands)

	Northern Alberta Institute of Technology	Southern Alberta Institute of Technology	2008 Totals	2007 Totals
Assets				
Current:				
Cash and short-term investment	$ 37,963	$ 134,035	$ 171,998	$ 109,474
Accounts receivable	12,637	7,331	19,968	21,329
Inventories	3,481	2,345	5,826	6,011
Prepaid expenses	1,834	465	2,299	1,772
Total Current	55,915	144,176	200,091	138,586
Investments	107,439	41,873	149,312	118,068
Capital assets	257,866	286,259	544,125	503,534
Long-term receivable	8,568	—	8,568	9,265
Total Assets	$ 429,788	$ 472,308	$ 902,096	$ 769,453
Liabilities and Net Assets				
Current:				
Accounts payable and accrued liabilities	$ 27,781	$ 26,639	$ 54,420	$ 59,105
Unearned revenue	12,485	11,894	24,379	21,673
Current portion of employee benefit liabilities	16,385	11,676	28,061	25,450
Deferred contribution	24,107	22,379	46,486	45,512
Current portion of long-term liabilities	—	1,705	1,705	1,613
Current portion of long-term leases	283	—	283	472
Total Current Liabilities	81,041	74,293	155,334	153,825
Long-term:				
Long-term liabilities	—	114,629	114,629	68,816
Deferred capital contributions	26,183	34,206	60,389	20,824
Long-term leases	48	—	48	273
Employee benefit liabilities	1,006	1,438	2,444	2,150
Unamortized deferred capital contribution	161,449	108,663	270,112	261,026
Total Long-Term	188,686	258,936	447,622	353,089
Net Assets:				
Endowments	15,330	12,821	28,151	25,212
Internally restricted	34,199	—	34,199	7,984
Investment in capital assets	96,086	91,449	187,535	181,388
Unrestricted net assets	14,446	34,809	49,255	47,955
Total Net Assets	160,061	139,079	299,140	262,539
Total Liabilities and Net Assets	$ 429,788	$ 472,308	$ 902,096	$ 769,453

Summary of Comprehensive Community Institutions

Statement of Operations and Changes in Financial Position

for the year ended June 30, 2008

(in thousands)

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Revenue							
Grants	$ 29,024	$ 23,021	$ 36,674	$ 32,450	$ 40,303	$ 27,672	$ 33,306
Sales, rentals and services	—	4,396	8,503	5,361	7,772	3,883	2,767
Tuition and related fees	12,068	6,924	9,273	10,305	15,037	9,904	11,379
Education contracts and contract programs	11,484	1,354	1,647	2,677	2,656	—	7,194
Investment income	1,585	1,010	987	1,060	1,412	1,102	832
Donations and contributions	1,061	1,271	1,212	241	255	364	666
Amortization of deferred capital contributions	1,431	1,403	3,104	2,578	2,827	1,523	1,122
Ancillary services	1,341	—	—	—	—	—	—
Miscellaneous revenue	—	—	—	1,918	—	—	—
	57,994	39,379	61,400	56,590	70,262	44,448	57,266
Expenses							
Salaries, wages and benefits	35,454	22,571	40,426	29,392	42,139	26,326	39,854
Supplies and services	14,962	10,531	12,995	15,551	15,573	9,915	12,880
Amortization of capital assets	1,965	2,298	4,706	4,666	5,506	3,055	2,709
Maintenance, utilities and property tax	—	968	1,700	1,842	1,341	1,220	601
Facilities rental	—	—	—	—	—	—	—
Scholarships and bursaries	660	250	420	367	245	341	—
Other	—	—	985	302	352	224	300
Loss on disposal of capital assets	2	35	140	49	—	—	—
	53,043	36,653	61,372	52,169	65,156	41,081	56,344
Excess of Revenue over Expense	4,951	2,726	28	4,421	5,106	3,367	922
Extraordinary Gain	—	—	—	—	—	—	—
Excess of Revenue over Expense, after Extraordinary Gain	$ 4,951	$ 2,726	$ 28	$ 4,421	$ 5,106	$ 3,367	$ 922
Changes in Financial Position							
Cash generated by operations	$ 8,235	$ 5,387	$ 9,020	$ 5,732	$ 6,963	$ 6,001	$ 5,858
Cash used by investing activities	(36,491)	(8,888)	(10,342)	(13,559)	(19,206)	(17,474)	(6,257)
Cash generated by financing activities	28,931	11,397	4,923	11,209	11,048	14,907	9,785
Increase (decrease) in cash and short-term investments	675	7,896	3,601	3,382	(1,195)	3,434	9,386
Cash and short-term investments at beginning of year, net of bank indebtedness	14,616	2,336	9,865	16,247	6,756	11,449	10,166
Cash and short-term investments at end of year, net of bank indebtedness	$ 15,291	$ 10,232	$ 13,466	$ 19,629	$ 5,561	$ 14,883	$ 19,552

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Summary of Comprehensive Community Institutions

Statement of Operations and Changes in Financial Position (continued)

(in thousands)

for the year ended June 30, 2008

	Northern Lakes College	Olds College	Portage College	Red Deer College	2008 Totals	2007 Totals (Restated)
Revenue						
Grants	$ 25,886	$ 23,176	$ 19,501	$ 45,073	$ 336,086	$ 296,166
Sales, rentals and services	1,561	6,133	2,116	1,887	44,379	38,706
Tuition and related fees	4,197	5,939	2,722	16,485	104,233	99,129
Education contracts and contract programs	586	2,497	1,853	2,159	34,107	31,466
Investment income	543	1,138	303	1,394	11,366	9,197
Donations and contributions	228	1,591	111	730	7,730	5,694
Amortization of deferred capital contributions	1,354	1,725	991	3,029	21,087	18,918
Ancillary services	—	2	—	7,589	8,932	8,743
Miscellaneous revenue	2	—	358	—	2,278	2,070
	34,357	42,201	27,955	78,346	570,198	510,089
Expenses						
Salaries, wages and benefits	19,961	25,764	17,622	50,177	349,686	316,854
Supplies and services	8,835	11,144	6,999	20,092	139,477	121,661
Amortization of capital assets	2,038	3,090	1,648	4,529	36,210	34,138
Maintenance, utilities and property tax	1,321	1574	728	2,477	13,772	12,655
Facilities rental	414	—	—	—	414	300
Scholarships and bursaries	59	342	161	388	3,233	2,804
Other	734	—	—	—	2,897	2,555
Loss on disposal of capital assets	—	—	—	—	226	442
	33,362	41,914	27,158	77,663	545,915	491,409
Excess of Revenue over Expense	995	287	797	683	24,283	18,680
Extraordinary Gain	—	—	368	—	368	—
Excess of Revenue over Expense, after Extraordinary Gain	$ 995	$ 287	$ 1,165	$ 683	$ 24,651	$ 18,680
Changes in Financial Position						
Cash generated by operations	$ 2,363	$ 12,627	$ (3,273)	$ 4,895	$ 63,808	$ 56,238
Cash used by investing activities	(872)	(30,650)	(13,681)	(49,445)	(206,865)	(186,224)
Cash generated by financing activities	664	17,623	13,056	47,019	170,562	128,954
Increase (decrease) in cash and short-term investments	2,155	(400)	(3,898)	2,469	27,505	(1,032)
Cash and short-term investments at beginning of year, net of bank indebtedness	6,201	1,446	5,953	1,633	86,668	87,699
Cash and short-term investments at end of year, net of bank indebtedness	$ 8,356	$ 1,046	$ 2,055	$ 4,102	$ 114,173	$ 86,667

◄

Summary of Comprehensive Community Institutions

Statement of Financial Position

as at June 30, 2008

(in thousands)

	Bow Valley College	Grande Prairie Regional College	Keyano College	Lakeland College	Lethbridge College	Medicine Hat College	NorQuest College
Assets							
Current:							
Cash and short-term investments	$ 15,290	$ 10,233	$ 16,512	$ 14,872	$ 5,561	$ 14,883	$ 9,129
Accounts receivable	4,167	917	3,177	2,640	2,607	1,213	2,791
Inventories	810	519	351	952	618	212	153
Prepaid expenses and deposits	541	172	474	—	533	213	383
	20,808	11,841	20,514	18,464	9,319	16,521	12,456
Long-term:							
Non-current cash	—	—	—	4,757	—	—	—
Investments	50,364	19,253	9,981	11,142	30,594	17,135	14,574
Capital assets	86,576	40,299	94,854	64,642	58,996	54,146	32,292
Other assets	—	—	—	13	—	—	—
	$ 157,748	$ 71,393	$ 125,349	$ 99,018	$ 98,909	$ 87,802	$ 59,322
Liabilities and Net Assets							
Current:							
Accounts payable and accrued liabilities	$ 9,704	$ 2,351	$ 3,398	$ 4,122	$ 3,744	$ 2,138	$ 3,744
Accrued vacation pay	2,250	1,458	2,408	2,036	955	872	3,435
Unearned revenue	2,337	150	1,431	2,031	1,587	925	2,122
Deferred contributions	3,598	4,127	8,305	1,678	3,959	3,568	2,931
Current portion of long-term debt	—	264	—	588	189	101	—
Other current liabilities	—	181	456	—	—	—	74
	17,889	8,531	15,998	10,455	10,434	7,604	12,306
Long-term:							
Debt	—	12,607	5,930	3,361	5,447	3,405	263
Deferred capital contributions	29,850	7,784	5,240	8,476	8,464	10,480	7,450
Unamortized deferred capital contributions	63,005	26,969	64,571	47,369	43,413	36,174	18,923
Other long-term liabilities	352	—	—	—	—	997	73
	93,207	47,360	75,741	59,206	57,324	51,056	26,709
Net Assets:							
Endowments	1,033	3,142	2,178	1,931	6,048	3,504	1,209
Investment in capital assets	20,902	4,017	23,897	13,324	9,947	14,466	13,369
Internally restricted	19,512	5,192	—	121	3,713	1,799	3,487
Unrestricted:							
Accumulated excess of revenue over expenses	5,205	3,215	7,662	13,585	12,240	9,632	2,135
Accumulated net unrealized gain (loss) on investments	—	(64)	(127)	396	(797)	(259)	107
	46,652	15,502	33,610	29,357	31,151	29,142	20,307
	$ 157,748	$ 71,393	$ 125,349	$ 99,018	$ 98,909	$ 87,802	$ 59,322

▶

Summary of Comprehensive Community Institutions

Statement of Financial Position *(continued)*

(in thousands)

as at June 30, 2008

	Northern Lakes College	Olds College	Portage College	Red Deer College	2008 Totals	2007 Totals (Restated)
Assets						
Current:						
Cash and short-term investments	$ 8,357	$ 1,046	$ 2,055	$ 57,847	$ 155,785	$ 108,657
Accounts receivable	936	3,784	5,943	3,158	31,333	31,841
Inventories	337	469	216	734	5,371	5,111
Prepaid expenses and deposits	56	—	73	489	2,934	2,564
	9,686	5,299	8,287	62,228	195,423	148,173
Long-term:						
Non-current cash	794	—	—	—	5,551	5,533
Investments	4,296	45,078	10,453	7,414	220,284	176,416
Capital assets	29,301	46,986	41,999	100,112	650,203	526,893
Other assets	—	—	—	1,317	1,330	1,411
	$ 44,077	$ 97,363	$ 60,739	$ 171,071	$ 1,072,791	$ 858,426
Liabilities and Net Assets						
Current:						
Accounts payable and accrued liabilities	$ 2,419	$ 12,620	$ 1,369	$ 12,142	$ 57,751	$ 45,298
Accrued vacation pay	2,119	2,172	1,390	4,084	23,179	20,576
Unearned revenue	3	1,660	327	2,074	14,647	14,496
Deferred contributions	3,685	5,041	1,368	12,897	51,157	43,109
Current portion of long-term debt	—	194	—	214	1,550	1,005
Other current liabilities	519	—	—	216	1,446	1,315
	8,745	21,687	4,454	31,627	149,730	125,799
Long-term:						
Debt	—	3,095	—	6,917	41,025	36,597
Deferred capital contributions	—	19,721	8,588	26,140	132,193	88,966
Unamortized deferred capital contributions	23,519	35,634	37,855	78,454	475,886	378,572
Other long-term liabilities	—	—	—	292	1,714	1,683
	23,519	58,450	46,443	111,803	650,818	505,818
Net Assets:						
Endowments	1,415	7,049	857	6,256	34,622	31,669
Investment in capital assets	5,782	8,063	4,118	15,612	133,497	112,020
Internally restricted	1,012	762	2,964	1,503	40,065	34,122
Unrestricted:						
Accumulated excess of revenue over expenses	3,565	1,352	1,903	2,831	63,325	48,998
Accumulated net unrealized gain (loss) on investments	39	—	—	1,439	734	—
	11,813	17,226	9,842	27,641	272,243	226,809
	$ 44,077	$ 97,363	$ 60,739	$ 171,071	$ 1,072,791	$ 858,426

Specialized Arts and Culture Institutions

The Banff Centre

Statement of Operations and Changes in Financial Position

for the year ended March 31, 2009

(in thousands)

	2009	2008 (Restated)
Revenue		
Grants	$ 18,329	$ 18,060
Accommodation	12,237	14,715
Sales, rentals and services	10,724	9,149
Tuition and related fees	5,654	5,319
Investment income	547	718
Donations and other contributions	6,102	3,792
Amortization of deferred capital contributions	2,441	1,313
	56,034	53,066
Expenses		
Salaries, wages and benefits	30,044	27,490
Scholarships and financial assistance	3,882	3,768
Change in employee future benefit obligation	130	(210)
Supplies and materials	4,779	4,689
Facility operating	4,733	5,808
Purchased services	3,336	3,173
Travel, training and related costs	1,844	1,704
Financial costs	675	573
Marketing and promotion	827	835
Rentals and equipment	1,176	1,202
Amortization of capital assets	3,774	2,590
Loss on disposal of capital assets	3	3
	55,203	51,625
Excess Revenue over Expenses	$ 831	$ 1,441
Changes in Financial Position		
Cash generated from operating activities	$ 6,069	$ (1,294)
Cash applied to investing activities	(13,244)	(19,048)
Cash generated from financing activities	10,936	21,276
Increase in cash	3,761	934
Cash at beginning of year	1,251	317
Cash at end of year	$ 5,012	$ 1,251

Specialized Arts and Culture Institutions

The Banff Centre

Statement of Financial Position

(in thousands)

as at March 31, 2009

	2009	2008
Assets		
Current:		
Cash and short-term investments	$ 27,461	$ 30,354
Accounts receivable	8,845	14,489
Inventories	437	432
Prepaid expense	189	163
	36,932	45,438
Note receivable	683	687
Long-term investments	12,750	13,507
Capital assets	93,711	78,864
Long-term pledges receivable	9,579	11,599
	$ 153,655	$ 150,095
Liabilities and Net Assets		
Current:		
Accounts payable	$ 3,512	$ 2,989
Accrued vacation pay	1,421	1,282
Unearned revenue	1,742	1,709
Deferred contributions	4,217	4,402
Long-term debt due within one year	276	277
	11,168	10,659
Long-term:		
Deferred contributions	35,909	46,708
Employment related liabilities	1,895	1,624
Long-term debt	1,835	2,088
Deferred expended capital contributions	75,586	61,716
	115,225	112,136
Net Assets:		
Endowments	12,569	13,438
Operating net assets	14,693	13,862
	27,262	27,300
	$ 153,655	$ 150,095

Specialized Arts and Culture Institutions

Alberta College of Art and Design

Statement of Operations and Changes in Financial Position

for the year ended June 30, 2008

(in thousands)

	2008	2007
Revenue		
Grants	$ 11,210	$ 11,100
Sales, rentals and services	995	914
Tuition and related fees	5,613	5,361
Investment income	447	425
Donations and contributions	883	378
Amortization of deferred capital contributions	775	717
	19,923	18,895
Expenses		
Salaries, wages and benefits	12,432	11,212
Supplies and services (a)	5,232	5,196
Amortization of capital assets	1,043	952
Scholarships and bursaries	200	215
Other	991	540
	19,898	18,115
Excess of Revenue over Expense	$ 25	$ 780
Changes in Financial Position		
Cash generated by operations	$ 2,349	$ 2,425
Cash used by investing activities	(181)	(834)
Cash generated by financing activities	126	185
Increase in cash and short-term investments	2,294	1,776
Cash and short-term investments at beginning of year, net of bank indebtedness	7,201	5,425
Cash and short-term investments at end of year, net of bank indebtedness	$ 9,495	$ 7,201

(a) Unless otherwise stated, Cost of goods sold are accounted for as Supplies and services.

Specialized Arts and Culture Institutions

Alberta College of Art and Design

Statement of Financial Position

as at June 30, 2008

(in thousands)

	2008	2007
Assets		
Current:		
Cash and short-term investments	$ 9,495	$ 7,201
Accounts receivable	490	478
Inventories	562	529
	10,547	8,208
Long-term:		
Investments	2,900	3,166
Capital assets	4,596	4,860
Other assets	500	644
	$ 18,543	$ 16,878
Liabilities and Net Assets		
Current:		
Accounts payable and accrued liabilities	$ 1,093	$ 933
Accrued vacation pay	834	772
Unearned revenue	275	326
Deferred contributions	4,556	2,427
Other current liabilities	23	19
	6,781	4,477
Long-term:		
Deferred capital contributions	519	1,103
Unamortized deferred capital contributions	3,766	4,081
Other long-term liabilities	59	71
	4,344	5,255
Net Assets:		
Endowments	2,137	1,957
Investment in capital assets	778	718
Internally restricted	2,310	2,452
Unrestricted:		
Accumulated excess of revenue over expenses	2,126	2,019
Accumulated net unrealized gain on investment	67	—
	7,418	7,146
	$ 18,543	$ 16,878

Unless otherwise stated, capital leases are accounted for as "Other Liabilities".

Disclosure of Salaries and Benefits for President Positions

		Base Salary	Other Cash Benefits (1)	Other Non-Cash Benefits (2)	Total
Comprehensive Academic and Research Institutions	(March 31, 2009)				
University of Alberta		$ 457,000	$ —	$ 373,000	$ 830,000
University of Calgary		441,000	—	1,980,000	2,421,000
University of Lethbridge		338,000	80,000	93,000	511,000
Athabasca University		341,000	29,000	45,000	415,000
Baccalaureate and Applied Studies Institutions	(June 30, 2008)				
Grant MacEwan College		247,000	1,000	71,000	319,000
Mount Royal College		246,000	20,000	207,000	473,000
Polytechnical Institutions	(June 30, 2008)				
Northern Alberta Institute of Technology		265,000	100,000	145,000	510,000
Southern Alberta Institute of Technology		209,000	75,000	136,000	420,000
Comprehensive Community Institutions	(June 30, 2008)				
Bow Valley College		202,270	40,874	16,579	259,723
Grande Prairie Regional College		151,000	—	18,493	169,493
Keyano College		190,000	39,113	15,157	244,270
Lakeland College		155,000	—	20,765	175,765
Lethbridge College		180,426	—	19,980	200,406
Medicine Hat College		179,528	—	47,434	226,962
NorQuest College		169,140	—	18,121	187,261
Northern Lakes College		136,968	1,209	26,897	165,074
Olds College		185,901	36,854	55,611	278,366
Portage College		156,229	1,046	117,362	274,637
Red Deer College		179,525	—	81,152	260,677
Specialized Arts and Culture Institutions					
Alberta College of Art + Design	(June 30, 2008)	203,300	62,600	26,156	292,056
The Banff Centre	(March 31, 2009)	293,000	—	37,000	330,000

(1) Other Cash Benefits include bonuses, overtime, lump sum payments and honoraria.

(2) Other Non-Cash Benefits includes the Institution's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short-term disability plan, professional memberships and tuition. Other non-cash benefits figure also includes the institution's share of the cost of additional benefits, including sabbaticals or other special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances, and club memberships.

Note: The Presidents of Post-Secondary Institutions are appointed by the Institution's Board of Governors.

Summary of Significant Accounting Policies

Post-secondary institutions prepare their financial statements in accordance with generally accepted accounting principles for not-for-profit organizations. The following are significant accounting policies followed by these entities:

- Revenues and expenses are recognized on an accrual basis.
- Revenues received for the provision of goods and services are recognized in the period in which the goods are provided or the services rendered.
- Unrestricted contributions are recognized as revenues when received.
- Capital grants are recorded as deferred contributions until the amounts are invested in capital assets.
- Once capital grants are invested in capital assets, the amounts are transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as earned revenue in the periods in which the related amortization expense of the funded capital asset is recorded.
- Externally restricted non-capital contributions are deferred and recognized as revenue in the period in which the related expenses are incurred.
- Endowment contributions are recognized as direct increases in net assets in the period in which they are received.
- Contributions for capital assets that will not be amortized, such as land and art collections, are recorded as direct increases in net assets in the period the assets are acquired.
- Capital assets are recorded at cost when acquired. Capital assets are amortized based on amortization policies set by post-secondary institutions.
- Donated assets are recorded at fair value where fair value is reasonably determined.
- Inventories of merchandise for resale are valued at the lower of cost and net realizable value. Inventories of supplies for consumption are valued at the lower of cost and replacement value.
- Short-term investments are recorded at the lower of cost or market value. Long-term investments are recognized at market value.

Alberta Heritage Foundation for Medical Research

Alberta Heritage Foundation for Medical Research

Consolidated Financial Statements

March 31, 2009 *Audited Information*

Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Changes in Net Assets

Consolidated Statement of Operations

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Board of Trustees of the Alberta Heritage Foundation for Medical Research

I have audited the consolidated statement of financial position of the Alberta Heritage Foundation for Medical Research as at March 31, 2009 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Alberta Heritage Foundation for Medical Research as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

original signed by

Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
June 17, 2009

Consolidated Statement of Financial Position

as at March 31, 2009

(in thousands)

	2009	2008
Assets		
Current assets		
Cash (Note 3)	$ 11,234	$ 9,983
Accounts receivable	212	139
Accounts receivable – employee loan (Note 13)	—	150
Advances and prepaid expenses	129	77
	11,575	10,349
Property and equipment (Note 5)	1,028	715
Accrued registered pension asset (Note 6)	—	75
	$ 12,603	$ 11,139
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,755	$ 4,759
Deferred contributions (Note 8)	3,500	6,308
Current portion of deferred lease inducement	28	28
Deferred revenue	6	2
	5,289	11,097
Accrued retirement allowance (Note 7(b))	1,568	1,224
Deferred lease inducement	42	71
	6,899	12,392
Net assets (Note 16)		
Unrestricted (deficiency)	4,676	(1,968)
Invested in property and equipment	1,028	715
	5,704	(1,253)
	$ 12,603	$ 11,139

The accompanying notes are part of these financial statements.

Approved by the Board

original signed by
Robert Seidel, QC
Trustee (Vice Chair)

original signed by
Ralph Young
Trustee

Consolidated Statement of Changes in Net Assets

(in thousands)

for the year ended March 31, 2009

	2009			2008
	Invested in Property and Equipment	Unrestricted	Total	Total
Net (deficit) assets – Beginning of year	$ 715	$ (1,968)	$ (1,253)	$ (1,302)
Excess of revenues over expenses	—	6,957	6,957	49
Purchase of property and equipment	515	(515)	—	—
Loss on disposal of property and equipment	(4)	4	—	—
Amortization of property and equipment	(198)	198	—	—
Net assets – End of year	$ 1,028	$ 4,676	$ 5,704	$ (1,253)

The accompanying notes are part of these financial statements.

Consolidated Statement of Operations

(in thousands)

for the year ended March 31, 2009

	2009	2008
Revenues		
Transfers from Endowment Fund (Note 4)	$ 77,000	$ 66,000
Transfer from Deferred Contributions (Note 8)	6,466	3,029
Interest	551	522
Recoveries on ForeFront (Note 9)	118	122
Donations	217	2
Other revenues (Note 14)	294	101
	84,646	69,776
Expenses		
Grants, awards and programs (Note 1)		
Research support	42,627	39,059
Operating and infrastructure grants	7,005	7,343
Training support	6,652	7,095
Knowledge transfer programs	5,566	5,224
Partnerships – program contributions	661	589
AHFMR Program Funding	62,511	59,310
Partnerships – administered funds	6,466	3,029
Total program funding expense	68,977	62,339
Operations (Note 6)	8,712	7,388
	77,689	69,727
Excess of revenues over expenses	$ 6,957	$ 49

The accompanying notes are part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended March 31, 2009

(in thousands)

	2009	2008
Cash provided by (used in)		
Operating Activities		
Excess of revenues over expenses	$ 6,957	$ 49
Items not affecting cash		
Amortization of property and equipment	198	181
Loss on sale of property and equipment	4	15
	7,159	245
Net change in non-cash working capital items		
Accounts receivable	(73)	204
Advances and prepaid expenses	(52)	5
Accrued registered pension	75	(75)
Accounts payable and accrued liabilities	(3,004)	3,389
Deferred contributions	(2,808)	581
Deferred revenue	4	2
Accrued retirement allowance	344	93
Accrued registered pension liability	—	(15)
	1,645	4,429
Investing Activities		
Purchase of property and equipment	(515)	(370)
Proceeds on disposal of property and equipment	—	1
Payment of loan receivable	150	25
Deferred lease inducement	(29)	(28)
	(394)	(372)
Increase in cash	1,251	4,057
Cash – Beginning of year	9,983	5,926
Cash – End of year	$ 11,234	$ 9,983

The accompanying notes are part of these financial statements.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2009

Note 1

Authority and Purpose

The Alberta Heritage Foundation for Medical Research (the "Foundation") operates under the authority of the *Alberta Heritage Foundation for Medical Research Act*, Chapter A-21, Revised Statutes of Alberta 2000, as amended. The Foundation is exempt from income tax under Section 149(1)(d.1) of the *Income Tax Act*.

The Foundation supports and promotes research in Alberta to improve health and thereby the quality of life of Albertans and people throughout the world. This includes providing peer reviewed grants and awards to individuals, institutions and other entities in the areas of health research, training and knowledge transfer. It also internally operates or externally supports programs related to applied health research. Support for some of these activities is from funding outlined in Note 8. The Foundation also jointly funds programs in partnership with other national agencies.

Note 2

Significant Accounting Policies and Reporting Practices

These consolidated financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. These consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

a) Basis of presentation

These consolidated financial statements include the accounts of the Alberta Foundation for Health Research, a wholly owned subsidiary of the Foundation, which operates under the *Alberta Companies Act* and is a registered charitable organization for income tax purposes. The Alberta Foundation for Health Research activities are directed to promote and support medical and health research.

b) Financial instruments

The Foundation's financial instruments include cash, accounts receivable, employee loan receivable, accounts payable and accrued liabilities. Due to their nature or capacity for prompt liquidation, the fair values of these financial instruments approximate their carrying value.

c) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Property and equipment, except for leasehold improvements, are amortized on a straight-line basis over their estimated useful lives at the following annual rates:

Furniture	10%
Office Equipment	20%
Computer Equipment	33%

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Software under development includes costs paid to third parties such as consultants' fees and other direct cost of development. Amortization will commence upon completion of development, once the software is available for use.

d) Revenue recognition

Unrestricted contributions are recognized as revenue in the current period if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned.

Restricted contributions are deferred and are recognized as revenue in the period in which the related expenses are incurred. Unspent grants returned for awards ended or terminated in a prior year are credited directly to deferred contributions. Restricted investment income is deferred and recognized as revenue in the period in which the related expenses are incurred.

e) Grants and awards expense

Grants and awards approved by the Trustees of the Foundation are recorded when substantially all terms and conditions for the implementation of the grant and/or award have been met.

Note 2

Significant Accounting Policies and Reporting Practices (continued)

f) Pension

The Foundation operates a defined contribution pension plan. Pension expense comprises the amount of employer contributions required for its employees during the year. There are no unfunded liabilities with respect to pensions and pension costs.

g) Future Accounting Pronouncement

The Public Sector Accounting Board ("PSAB") establishes generally accepted accounting principles for government and government organizations. PSAB and the Accounting Standards Board ("AcSB") have issued an Invitation to Comment for the financial reporting framework to be used by organizations such as the Foundation. The financial reporting frameworks under consideration include: International Financial Reporting standards, Public Sector Accounting standards, Public Sector Accounting standards supplemented by standards specific to not-for-profit organizations and the framework proposed for private enterprises by the AcSB supplemented by standards specific to not-for-profit organizations. PSAB expects to issue a revised standard in March 2010.

Note 3

Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund ("CCITF") of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2009, securities held by the Fund have a time-weighted rate of return of 3.0% per annum (2008: 4.5% per annum).

Trustees have the authority to draw down funds from the endowment to cover cash requirements. Cash is therefore drawn from the endowment on an as needed basis. Funds to cover deferred contributions (Note 8) are also included in cash and maintained in the CCITF.

Note 4

Alberta Heritage Foundation for Medical Research Endowment Fund

(in thousands)

The Endowment Fund operates pursuant to the *Alberta Heritage Foundation for Medical Research Act* (the "*Act*") and consists of an endowment from the Government of Alberta together with cumulative earnings thereon, less cumulative transfers to the Foundation.

Transfers to the Foundation are available at the request of the Trustees of the Foundation in accordance with the terms of the *Act*.

At March 31, 2009, the net assets of the Endowment Fund valued at cost were approximately $1,174,000 ($2008 - $1,511,000) and the market value of the investments was $1,154,000 ($2008 - $1,534,000).

The Foundation's policy is to retain funds in the Endowment Fund and transfers are made only on an as needed basis. This policy may result in a deficit within the statement of financial position of the Foundation.

Note 5

Property and Equipment

(in thousands)

	2009			2008
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	$ 643	$ 377	$ 266	$ 287
Computer hardware and software	1,267	1,174	93	95
Leasehold improvements	589	353	236	287
Software under development	433	—	433	46
	$ 2,932	$ 1,904	$ 1,028	$ 715

The Foundation is currently developing new grants and information management software.

Note 6

AHFMR Registered Pension Plan

(in thousands)

At the beginning of the year, the Pension Plan consisted of a defined benefit (DB) plan and a defined contribution (DC) plan. Effective December 31, 2007, the DB plan was closed to new entrants and all existing members were given notice that their benefits would be converted to a defined contribution plan on January 1, 2009.

Effective December 31, 2008, the Plan was amended to convert the accrued DB benefits to the individual's DC account balances. Conversion values were based on the greater of funding reserve, commuted value or Alberta minimum value (value calculated using the projected unit credit actuarial cost method, but based on best estimate assumptions for termination and retirement, as well as salary increase. Discount rate and mortality assumptions were consistent with those used for commuted value calculations). There was no DB credited service granted after December 31, 2008.

Active members who met eligibility for an immediate DB pension on December 31, 2008 were given the choice to retain their accrued DB pension on service and earnings to that date. Members of the DB plan whose benefits were not converted to a DC account, including pensioners and deferred vested members, had annuities purchased in accordance with the Preliminary Conversion Report submitted to Alberta Finance and Enterprise on December 31, 2008.

The conversion of DB pension benefits to DC account balances and the purchase of annuities for eligible members were subject to approval by Alberta Finance and Enterprise. To the extent that assets in the DB plan were not sufficient to fully pay for these benefits, the Foundation made a contribution to cover the shortfall. Details of the conversion are as follow:

Active Members	
DB conversion amounts transferred to DC account balances	1,001
DB conversion amounts transferred to RRSPs	120
DB conversion amounts Canada Revenue Agency withholding remitted	417
DB total bulk transfer	1,538
Non-Active Members – Purchase of annuities	3,107
	4,645
DB pension fund assets	3,221
Shortfall Funded by AHFMR	1,424

This shortfall is included in Operations expense.

Conversion of the DB plan was completed in February 2009. There were no assets and no liabilities in the DB plan on March 31, 2009.

As of January 1, 2009, the Registered Pension Plan consists entirely of the DC plan. Employer contributions to the DC Plan for the year were $115,309 and are included in operation expenses.

Note 7

Retirement Allowance

(in thousands)

The retirement allowance consists of the unfunded liability for the Foundation's supplemental retirement plan, the benefits under which are paid for entirely by the Foundation when they come due. There are no plan assets.

Participation in the supplemental retirement plan was closed to new entrants effective March 7, 2007. Two active members in the plan were given notice that their benefits under the current arrangement would be terminated December 31, 2008, and their benefit at that date actuarially determined and notionally transferred to a new arrangement based on their participation in the registered defined contribution plan. One member was terminated from the plan at December 31, 2008 and paid out, one retired member receives a monthly payment and one deferred member continues to accrue a fixed annual benefit.

Information about the Foundation's retirement allowance plan is as follows:

a) Pension Expense

	2009	2008
Current service cost	$ 125	$ 74
Interest cost	—	68
Amortization of net actuarial loss	510	—
Retirement allowance	$ 635	$ 142

b) Accrued Benefit Obligation

	2009	2008
Accrued benefit obligation – Beginning of year	$ 1,224	$ 1,131
Current service costs	125	74
Interest cost	—	68
Conversion costs	528	—
Benefits paid	(309)	(49)
Accrued benefit obligation – End of year	$ 1,568	$ 1,224

Note 8

Deferred Contributions

(in thousands)

a) Health Research Collaboration ("HRC")

The Foundation and Alberta Health and Wellness have entered into an agreement to facilitate and enhance health research and health technology assessment and their dissemination in the province of Alberta. This agreement concluded March 31, 2007 and remaining funds will be used to meet all outstanding and forward commitments under the agreement.

b) Interdisciplinary Team Fund ("ITF")

The Foundation and Alberta Health and Wellness have entered into an agreement to support, facilitate and grow health services research and population health research by creating interdisciplinary research teams that intersect health disciplines and sectors.

c) Diabetes Research and Innovation Fund ("DRIF")

The Foundation and Alberta Health and Wellness with the Government of the Yukon, have entered into an agreement to support research in the prevention and management in the cure of diabetes.

d) Alberta Mental Health Board ("AMHB")

The Foundation and the Alberta Mental Health Board have entered into a cost-sharing agreement to jointly fund training awards in the area of mental health research.

e) Alberta Alcohol and Drug Abuse Commission ("AADAC")

The Foundation and the Alberta Alcohol and Drug Abuse Commission have entered into an agreement to provide administration for agreed upon research programs.

Deferred contributions represent unspent resources externally restricted under the Health Research Collaboration, the Interdisciplinary Team Fund, the Diabetes Research and Innovation Fund, the Alberta Mental Health Board and Alberta Alcohol and Drug Abuse Commission agreements.

Changes in the deferred contributions balance are as follows:

	2009	2008
Contributions received during the year		
Transfers from ITF	$ 3,535	$ 3,535
Transfers from AADAC	250	—
Transfers from AMHB	15	75
	3,800	3,610
Less: Amounts recognized as revenue in current year		
ITF	4,953	—
HRC	1,473	2,972
AMHB	40	42
DRIF	—	15
	6,466	3,029
Overhead Cost Recovery from ITF	142	—
	6,608	3,029
(Decrease) increase during the year	(2,808)	581
Balance – Beginning of year	6,308	5,727
Balance – End of year	$ 3,500	$ 6,308
Balance is comprised as follows:		
ITF	$ 1,976	$ 3,535
HRC	196	1,670
DRIF	995	995
AADAC	250	—
AMHB	83	108
	$ 3,500	$ 6,308

Note 9

Recoveries on ForeFront

The Foundation has entered into various agreements to fund technology commercialization projects. The Foundation believes these projects have high scientific merit, but are speculative with both technical and commercial risk. Any recoveries by the Foundation under these agreements will be long-term, in some cases at least ten years. In addition to recoveries, some agreements contain a provision for future royalty payments.

Note 10

Commitments

(in thousands)

	Grants and Awards (a)	Office Premises (b)	Total
2009-2010	$ 49,624	$ 170	$ 49,794
2010-2011	36,672	184	36,856
2011-2012	21,697	92	21,789
2012-2013	19,080	—	19,080
2013-2014	13,403	—	13,403
2014-2015	8,272	—	8,272
2015-2016	1,739	—	1,739
2016-2017	30	—	30
	$ 150,517	$ 446	$ 150,963

(a) Grants and awards for which all terms and conditions have been agreed to are recorded as commitments.

(b) The Foundation has entered into a 60-month lease for office premises. This lease commences on October 1, 2006 and expires on September 30, 2011.

The leased premises cost is as follows:

- Months 1-36 @ $11 per Sq. ft.
- Months 37-60 @ $13 per Sq. ft.

Note 11 Executive Compensation

(In thousands)

	2009				2008
	Base Salaries (b)	Other Cash Benefits (c)	Other Non-Cash Benefits (d)	Total	Total
Chairman	$ —	$ 17	$ —	$ 17	$ 17
Board of Trustees	—	66	—	66	64
President & Chief Executive Officer (a)	285	—	462	747	351
Vice President – Programs (a)	—	—	—	—	97
Vice President – Corporate Affairs	163	—	157	320	200
	$ 448	$ 83	$ 619	$ 1,150	$ 729

(a) The employment of President and CEO terminated in August 2007 and the position was filled on an interim basis by the Vice-President – Programs. Prior year figures have been restated to conform to the requirements of the Salary and Benefits Disclosure Directive.

(b) Salaries include regular base pay, overtime and any other direct cash remuneration.

(c) Other cash benefits include honoraria.

(d) Other non-cash benefits include the Foundation's share of all employee benefits and contributions or payments made on behalf of the employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long-term disability plans and professional memberships.

Under the terms of the supplementary retirement plan ("SRP"), executive officers may receive supplemental retirement payments. See Note 7 for information on how this plan was converted during the year. As a result of the conversion, all of the unamortized gains and losses have been included in the non-cash benefit amount for 2009. For 2008, non-cash benefit included only the amortization of actuarial gains and losses as conversion had not taken place.

Supplementary Retirement Benefits

The accrued obligation for each executive under the SRP is outlined in the following table:

	Accrued Obligation March 31, 2008	Changes in Accrued Obligation	Accrued Obligation March 31, 2009
Interim President & Chief Executive Officer	$ 238	$ 441	$ 679
Vice President – Corporate Affairs	119	122	241

Note 12

Budget

(in thousands)

The budget process involves the determination of the cost for all programs including the estimated number of investigators sponsored for Foundation awards and meeting standards of excellence which the Foundation could support within the spending guidelines and program objectives laid out by the Board of Trustees of the Foundation. Variance from budget is determined largely by the number and quality of actual applications received and deferred or declined awards.

The 2008-2009 Foundation budget was approved by the Board of Trustees in March 2008. Following is the Unconsolidated Alberta Heritage Foundation for Medical Research budget:

	Actual	Budget
Revenue	$ 84,425	$ 82,106
Investigator awards	41,451	41,506
Polaris awards	1,000	1,000
Team grants	92	2,000
Independent establishment	63	63
Major equipment and maintenance	944	1,000
Training support	6,652	8,245
Knowledge transfer programs	5,566	6,496
Strategic initiatives	6,061	6,825
Partnerships – program contributions	661	1,031
Partnerships – administered funds	6,466	4,456
Peer review	1,077	1,142
Outreach and education	1,985	3,661
Administration	3,319	4,056
Pension conversion costs	2,330	—
	$ 77,667	$ 81,481

Note 13

Employee Loan

The home relocation loan for the previous President and Chief Executive Officer of the Foundation was repaid in full in February 2009.

Note 14

Other Revenue

Other revenue relates to sponsorships and registrations for Foundation conferences and programs.

Note 15

Financial Instruments

The Foundation's financial instruments are exposed to certain financial risk, including credit risk, liquidity and market risk.

a) Credit Risk

Credit risk is the risk of financial loss to the Foundation if a party to a financial instrument fails to meet its contractual obligation and arises principally from the Foundation's cash and accounts receivable. The maximum amount of credit risk exposure is limited to the carrying value of the balances disclosed in these financial statements.

The Foundation manages its exposure to credit risk on cash by placing these financial instruments with CCITF.

Aged receivable balances are monitored and an allowance for credit losses is provided in the period in which the losses become known. Balances are considered for impairment on a case by case basis when they are over 90 days past due or if there is indication that a customer will default.

b) Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. The Foundation's management reduces liquidity risk by monitoring forecasted and actual cash flows to ensure sufficient liquidity to meet its liabilities. Accounts payable and accrued liabilities are due within the current operating period.

Note 15

Financial Instruments (continued)

c) Market Risk

Market risk is the risk that changes in market prices, such as foreign currency and interest rates will affect the Foundation's earnings or the value of the financial instruments held.

Foreign currency risk is the risk that the fair value of future cash flows for financial instruments will fluctuate because of the exchange in foreign exchange rates and the degree of volatility of these rates relative to the Canadian dollar. The Foundation is exposed to the risk of earnings fluctuations arising from foreign exchange rates if it earns revenues denominated in U.S. dollars.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is subject to interest rate risk arising primarily from fluctuations in rates on its cash balance. The Foundation's cash consists of funds primarily on deposit with CCITF.

Note 16

Net Assets Management

The Foundation's net assets arise from surpluses or deficits resulting from operations supported by transfers from its Endowment. Transfers from the Endowment to cover capital asset acquisition and operations are part of the annual budget approved by the Board of Trustees. Transfers to the Foundation are available in accordance with the terms of the *Endowment Act* (Note 4).

Note 17

Related Party Transactions

(in thousands)

The Lieutenant Governor of Alberta appoints the trustees of the Foundation. The Foundation is a related party to Alberta's Ministries and all entities included in those ministries. From time to time the Foundation receives funding from Alberta Ministries and Alberta government entities. The nature of these relationships is summarized in Note 8, deferred contributions.

In the normal course of its operations, the Foundation provides grants and awards to Alberta's public universities, which are Alberta government entities. The following amounts are recorded in these statements:

Accounts payable to Alberta universities	1,318
Program funding expenses related to Alberta universities	67,651
Commitments payable to Alberta universities (Note 10)	147,408

Note 18

Approval of Financial Statements

These financial statements were approved by the Board of Trustees.

Note 19

Comparative Figures

Expenses have been reclassified into major categories that reflect the focus and strategic direction of the Foundation.

Note 20

Pending Legislation

The Government of Alberta introduced Bill 27 *Alberta Research and Innovation Act* with the intent of implementing a framework which restructures provincially funded research and innovation organizations. The bill received Royal Assent from the Legislative Assembly on June 4, and will come into force upon proclamation. The legislation allows for the Lieutenant Governor to dissolve and restructure the Foundation. It is not known at this time what the impact will be on the Foundation.

Alberta Heritage Foundation for Science and Engineering Research

Alberta Heritage Foundation for Science and Engineering Research

Financial Statements

March 31, 2009

Audited Information

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Statement of Changes in Net Assets

Statement of Operations

Statement of Cash Flows

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A *Schedule of Operations*

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Board of Trustees of the Alberta Heritage Foundation for Science and Engineering Research

I have audited the statement of financial position of the Alberta Heritage Foundation for Science and Engineering Research as at March 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Alberta Heritage Foundation for Science and Engineering Research as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

original signed by

Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
May 26, 2009

Statement of Financial Position

(in thousands)

as at March 31, 2009

	2009	2008
Assets		
Current		
Cash (Notes 3, 4 and 6)	$ 53,805	$ 55,178
Accounts and interest receivable	378	211
Contributions receivable	2,506	4,772
Advances and prepaid expenses	9	17
	56,698	60,178
Portfolio investments – Prion Fund (Note 4)	—	7,882
Property and equipment (Note 5)	877	763
	$ 57,575	$ 68,823
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 382	$ 1,719
Current portion of deferred lease inducement	39	39
	421	1,758
Deferred lease inducement	229	268
Deferred contributions (Note 6)	55,476	64,061
	56,126	66,087
Net assets (Note 13)		
Unrestricted	572	1,973
Invested in property and equipment	877	763
	1,449	2,736
	$ 57,575	$ 68,823

The accompanying notes and schedule are part of these financial statements.

Approved by the Board

original signed by
Ms. Mary Ritchie, FCA
Trustee (Chair)

original signed by
Mr. Robert Turner, QC
Trustee (Vice Chair)

Statement of Changes in Net Assets

(in thousands)

for the year ended March 31, 2009

	2009			2008
	Invested in property and equipment	Unrestricted	Total	Total
Balance – Beginning of year	$ 763	$ 1,973	$ 2,736	$ (1,473)
(Deficiency) excess of revenue over expenses	—	(1,287)	(1,287)	4,209
Purchase of property and equipment	321	(321)	—	—
Loss on disposal of property and equipment	(3)	3	—	—
Amortization of property and equipment	(204)	204	—	—
Balance – End of year	$ 877	$ 572	$ 1,449	$ 2,736

The accompanying notes and schedule are part of these financial statements.

Statement of Operations

for the year ended March 31, 2009

(in thousands)

	2009		2008
	Budget	Actual	Actual
Revenue	(Note 8)	(Schedule A)	
Transfers from Endowment Fund (Note 10)	$ 33,776	$ 29,800	$ 33,300
Grants from Advanced Education and Technology (Note 7)	15,422	15,302	7,459
Interest and other revenue	60	—	—
	49,258	45,102	40,759
Expenses			
Grants and awards			
Ingenuity Centres	9,350	9,350	10,719
Industrial Associateships	6,006	5,345	5,008
Research Funding	12,856	11,666	3,885
Students	4,752	4,745	3,490
New Faculty Awards	3,043	3,014	2,477
Genome Alberta	—	—	1,817
Enterprise Programs	1,000	1,003	957
Fellowships	103	171	816
Scholars	1,114	1,383	787
Infrastructure Funding	400	1,000	620
Sponsorships	1,475	1,028	530
Program Development	2,817	1,687	527
Nano Technology Accelerator	20	—	342
Internships / Special Initiatives	—	13	13
	42,936	40,405	31,988
Operations			
Human Resources	3,271	3,350	2,512
Communication / External Relations	626	377	375
General Operations	627	311	192
	4,524	4,038	3,079
Administration			
Corporate administration	652	1,047	846
Governance and planning	968	695	481
Amortization of property and equipment	174	204	156
	1,794	1,946	1,483
	49,254	46,389	36,550
Excess (deficiency) of revenues over expenses	$ 4	$ (1,287)	$ 4,209

The accompanying notes and schedule are part of these financial statements.

Statement of Cash Flows

(in thousands)

for the year ended March 31, 2009

	2009	2008
Cash provided by (used in)		
Operating activities		
Endowment Fund transfers and investment earnings received	$ 29,800	$ 33,295
Grants and awards payments	(41,898)	(34,893)
Amount paid for operations	(4,038)	(2,962)
Amount paid for administration	(1,781)	(1,334)
nanoWorks Fund transfers and investment earnings received	3,184	6,066
AET reimbursement for NanoTech and iCORE programs	3,272	—
Prion Fund CCITF earnings received	533	877
ALSI grants and investment earnings received	—	138
Genome Alberta investment earnings received	—	21
Bolger award earnings received	6	259
Water Fund transfers and investment earnings received	888	25,413
Income (loss) from Prion Investment Fund received	(400)	266
	(10,434)	27,146
Financing and investing activities		
Purchase of property and equipment	(321)	(282)
Investment in Prion Research Fund	9,382	2,634
	9,061	2,352
(Decrease) increase in cash	(1,373)	29,498
Cash – Beginning of year	55,178	25,680
Cash – End of year	$ 53,805	$ 55,178

The accompanying notes and schedule are part of these financial statements.

Notes to the Financial Statements

for the year ended March 31, 2009

Note 1

Authority and Purpose

The Alberta Heritage Foundation for Science and Engineering Research (the "Foundation") operates under the authority of the *Alberta Heritage Foundation for Science and Engineering Research Act*, Chapter A-22, Revised Statutes of Alberta 2003, as amended. The Foundation commenced operations on April 1, 2000 and is exempt from income tax under Section 149(1)(d.1) of the *Income Tax Act*.

The Foundation supports and promotes a balanced long term program of science and engineering research based in Alberta directed to the discovery of new knowledge and application of that knowledge to improve the quality of Alberta's economy, communities and environment.

Research managed by the Foundation include programs funded directly through the Endowment and those funded through restricted contributions from the Ministry of Advanced Education and Technology. Included in this latter category are the Prion and Water Institutes, nanoWorks, the Bolger awards and the Specified Risk Management funding.

Note 2

Significant Accounting Policies and Reporting Practices

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. The precise determination of many asset and liabilities is dependent on future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable materiality and within the framework of the accounting policies summarized below:

a) Property and Equipment

Property, plant and equipment are recorded at cost less accumulated amortization. Property, plant and equipment are amortized on a straight-line basis over their estimated useful lives at the following annual rates:

Furniture	10%
Office Equipment	20%
Computer Equipment	33%

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

b) Revenue Recognition

Unrestricted contributions are recognized as revenue in the current period if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment income is recognized as revenue when earned.

Restricted contributions are deferred and recognized as revenue in the period(s) that eligible expenditures are incurred. Restricted investment income is deferred and recognized as revenue on the same basis as the underlying restricted contributions.

c) Grants and Awards Expense

Grants and awards approved by the Trustees of the Foundation are recorded as expenses when all conditions of eligibility have been met.

d) Deferred Lease Inducement

Deferred Lease inducements represent the unamortized portion of cash payments received by the Foundation for office premises. Deferred Lease inducements are being amortized on a straight-line basis over the term of the lease.

Note 2

Significant Accounting Policies and Reporting Practices (continued)

e) Financial Instruments (Note 12)

The Foundation has classified its financial instruments as follows:

Cash is classified as "Held for trading" and is measured at fair value.

Accounts receivable are classified as "Loans and Receivables" and are measured at fair value which approximates carrying value due to their short-term to maturity.

Investments are classified as available for sale and are measured at fair value. Changes in fair value are recorded separately in net assets or the appropriate deferred contributions balance until the asset is derecognized or the contributions have been recognized as revenue.

Investment income is recorded on the accrual basis where there is reasonable assurance as to its measurement and collectability.

Accounts payable and accrued liabilities are classified as "Other Financial Liabilities" and are measured at fair value which approximates carrying value due to their short-term to maturity.

The fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration given or received. Transaction costs on financial instruments are expensed when incurred.

All financial derivative instruments are recorded at fair value unless exempted from derivative treatment as a normal purchase and sale. The Foundation has determined that they do not have any derivatives.

f) Future Accounting Pronouncements

The Public Sector Accounting Board ("PSAB") establishes generally accepted accounting principles for government and government organizations. PSAB and the Accounting Standards Board ("AcSB") have issued an Invitation to Comment for the financial reporting framework to be used by organizations such as the Foundation. The financial reporting frameworks under consideration include: International Financial Reporting standards, Public Sector Accounting standards supplemented by standards specific to not-for-profit organizations and the framework proposed for private enterprises by the AcSB supplemented by standards specific to not-for-profit organizations. PSAB expects to issue a revised standard in March 2010.

g) Pension Plan

The Foundation has a defined contribution pension plan. Pension expense comprises the amount of employer contributions required for its employees during the year. There are no unfunded liabilities with respect to pensions and pension costs.

Note 3

Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund ("CCITF"). The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term-to-maturity of three years. As at March 31, 2009, securities held by the Fund have a time-weighted rate of return of 3.0% per annum (2008 - 4.5% per annum). The restrictions on use of cash are indicated in Note 6.

Note 4

Portfolio Investments – Investment Income

(in thousands)

The Foundation's Prion Fund investments were held in the Universe Fixed Income Pool ("UFIP") established and administered by Alberta Finance. The pool is comprised of high quality Canadian fixed income instruments and related derivatives and was managed with the objective of providing above-average returns compared to the total return of the Scotia Capital Universe Bond Index over a four-year period while maintaining adequate security and liquidity of participants' capital. The fund was liquidated during the year and the proceeds transferred to the Prion Consolidated Cash Investment Trust Fund. At March 31, 2009, the Foundation's percentage ownership, at market, in the UFIP was 0.0% (2008 - 0.08%).

Schedule of Investments in Fixed Income Securities ("UFIP")

	2009		2008	
	Cost	Fair Value	Cost	Fair Value
Fixed-income securities				
Deposits in the Consolidated Cash Investment Trust Fund	$ —	$ —	$ 105	$ 105
Government of Canada, direct and guaranteed	—	—	1,844	1,818
Alberta, direct and guaranteed	—	—	3	3
Other provincial, direct and guaranteed	—	—	1,009	1,032
Municipal	—	—	—	—
Corporate, public and private	—	—	5,259	4,858
	—	—	8,220	7,816
Accounts receivable and accrued investment income	—	—	150	150
Accounts payable and accrued liabilities	—	—	(84)	(84)
	$ —	$ —	$ 8,286	$ 7,882

Net Investment Income by Type of Income

	2009					2008
	Prion Research	Water for Life	nanoWorks	Other	Total	Total
Net realized losses on investment	$ (596)	$ —	$ —	$ —	$ (596)	$ (102)
Interest income	506	888	184	33	1,611	1,457
Investment income	196	—	—	—	196	369
Security lending income	—	—	—	—	—	1
Administration expenses	—	—	—	—	—	(2)
	$ 106	$ 888	$ 184	$ 33	$ 1,211	$ 1,723

Net Investment Income by Investment

	2009					2008
	Prion Research	Water for Life	nanoWorks	Other	Total	Total
Income from deposits in the Consolidated Cash Investment Trust Fund	$ 506	$ 888	$ 184	$ 33	$ 1,611	$ 1,457
Income from Canadian Dollar Public Bond Pool	(400)	—	—	—	(400)	266
	$ 106	$ 888	$ 184	$ 33	$ 1,211	$ 1,723

Note 5

Property and Equipment

(in thousands)

	2009			2008
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	$ 340	$ 99	$ 241	$ 148
Computer hardware and software	505	284	221	273
Leasehold improvements	542	127	415	342
	$ 1,387	$ 510	$ 877	$ 763

Note 6

Deferred Contributions

(in thousands)

Deferred contribution balances at March 31, 2009 are:	2009					2008
	Prion Research	Water for Life	NanoWorks	Other Programs	Total	Total
Opening balance	$ 26,258	$ 30,004	$ 6,064	$ 1,735	$ 64,061	$ 37,754
Contributions	—	—	5,506	—	5,506	32,575
Investment earnings	702	888	184	33	1,807	1,723
Program revenues	—	—	—	—	—	10
Realized losses on available-for-sale investments	(596)	—	—	—	(596)	(404)
Repayment of ALSI Grant	—	—	—	—	—	(138)
Grants and disbursements	(6,889)	(4,045)	(4,314)	(54)	(15,302)	(7,459)
Ending balance	$ 19,475	$ 26,847	$ 7,440	$ 1,714	$ 55,476	$ 64,061

Deferred contributions at March 31, 2009 consist of:	2009					2008
	Prion Research	Water for Life	NanoWorks	Other Programs	Total	Total
Restricted cash in CCITF	$ 19,475	$ 26,847	$ 4,934	$ 1,714	$ 52,970	$ 54,474
Investments	—	—	—	—	—	7,882
Contributions receivable	—	—	2,506	—	2,506	1,500
Due from (to) unrestricted net assets	—	—	—	—	—	205
Ending balance	$ 19,475	$ 26,847	$ 7,440	$ 1,714	$ 55,476	$ 64,061

Note 7

Related Party Transactions

(in thousands)

The Lieutenant Governor of Alberta appoints the trustees of the Foundation. The Foundation is a related party to the Ministry of Advanced Education and Technology and Alberta's four public universities.

The following summarizes the Foundation's related party transactions for the year. These transactions were in the normal course of operations.

The Foundation recorded contributions of $3,490 from the Ministry of Advanced Education and Technology in 2009 ($32,500 in 2008). The Foundation recognized as revenue contributions of $15,302 in 2009 ($7,459 in 2008) from the Ministry. Contributions receivable include $490 owing from the Ministry in 2009 ($4,772 in 2008). Deferred contributions (Note 6) include $19,475 for Prion Research, $26,847 for Water for Life, $7,440 for nanoWorks and $1,714 for other programs from the Ministry.

Included in program funding expenses are payments to the universities of $27,382 in 2009 ($22,770 in 2008).

Note 8

Budget

The budget process involves the determination of the cost for the estimated number of investigators sponsored for the Foundation's awards and meeting standards of excellence which the Foundation could support within the spending guidelines and program objectives laid out by the Board of Trustees of the Foundation. The budget was approved by the Board of Trustees on February 26, 2008.

Note 9 Executive Compensation

(In thousands)

	2009				2008
	Base Salary	Other Cash Benefits	Other Non-Cash Benefits	Total	Total
	(a)	(b)	(c)		
Chairman	$ —	$ 14	$ —	$ 14	$ 13
Board of Trustees	—	70	—	70	69
President and CEO	283	25	27	335	321
VP – Corporate Services	180	5	28	213	197
VP – Finance and CFO	145	10	25	180	186
	$ 608	$ 124	$ 80	$ 812	$ 786

(a) Salaries include regular base pay.

(b) Other Cash Benefits include bonuses, overtime, lump sum payments and honoraria.

(c) Other Non-Cash Benefits include the Foundation's share of all employee benefits and contributions or payments made on behalf of employees including Employment Insurance, Canada Pension Plan, Accidental Death and Dismemberment insurance, long and short-term disability plans, professional memberships and group pension.

Note 10 Alberta Heritage Foundation for Science and Engineering Research Endowment Fund

(In thousands)

The Endowment Fund operates pursuant to the *AHFSER Act* and consists of endowment contributions of $721,000 from the General Revenue Fund of the Province of Alberta together with cumulative earnings thereon, less cumulative transfers to the Foundation. At March 31, 2009, the book value of the net assets of the Endowment Fund was $658,000 (2008 - $831,000) and the market value of the investments was $645,000 (2008 - $838,000).

In the 2005 Spring session of the Alberta Legislature, the Government announced its commitment to increase the Endowment Fund by an additional $500,000. As at March 31, 2009, $200,000 has been transferred to the Fund under this commitment.

For 2004-2005 and subsequent years, payments from the Endowment Fund to the Foundation in the fiscal year may not exceed 4.5% of the average of the market values of the Fund determined on March 31 of the preceding three fiscal years. Any unused portion of the amount permitted to be paid in a fiscal year may be paid to the Foundation in any subsequent fiscal year.

	2009	2008
Accumulated unused funding limit – Opening	$ 18,589	$ 17,543
4.5% of average market value at March 31, preceding three years	30,681	32,346
Transfers to the Foundation during the year	(25,800)	(31,300)
Accumulated unused funding limit – Closing	$ 23,470	$ 18,589

Note 11 Commitments

(In thousands)

	Ingenuity Centres	Other Grants and Awards	Office Premises	Total
	(a)	(b)	(c)	
2009-2010	$ 8,480	$ 12,948	$ 422	$ 21,850
2010-2011	4,511	7,260	423	12,194
2011-2012	4,552	2,462	438	7,452
2012-2013	3,477	747	447	4,671
2013-2014	—	462	450	912
	$ 21,020	$ 23,879	$ 2,180	$ 47,079

(a) The amounts to be paid to the Ingenuity Centres in future years will be based on budgets to be submitted by the Centres, the amount of which is not known at this time. The amounts included in the schedule above are based on the amounts budgeted for 2009-2010.

(b) Commitments for Other Grants and Awards include amounts estimated to be paid under the terms of the grant agreements in future periods provided all conditions of eligibility are met by the recipient.

(c) The Foundation has entered into a 120-month lease for the Manulife office premises, which expires on January 31, 2016.

Note 12

Financial Instruments

The Foundation's financial instruments are exposed to certain financial risk, including credit risk, liquidity and market risk.

a) Credit Risk

Credit risk is the risk of financial loss to the Foundation if a party to a financial instrument fails to meet its contractual obligation and arises principally from the Foundation's cash, accounts receivable and contributions receivable. The maximum amount of credit risk exposure is limited to the carrying value of the balances disclosed in these financial statements.

The Foundation manages its exposure to credit risk on cash by placing these financial instruments with CCITF (Note 3).

The Foundation monitors the credit risk and credit rating of all customers on a regular basis. Aged receivable balances are monitored and an allowance for credit losses is provided in the period in which the losses become known. Balances are considered for impairment on a case by case basis when they are over 90 days past due or if there is indication that a customer will default.

b) Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. On a day to day basis, the Foundation's management reduces liquidity risk by monitoring forecasted and actual cash flows to ensure sufficient liquidity to meet its liabilities. Funds on deposit with CCITF (Note 3) are all available on demand. Accounts payable and accrued liabilities are due within the current operating period. For financial commitments, see Note 11.

c) Market Risk

Market risk is the risk that changes in market prices, such as foreign currency and interest rates will affect the Foundation's earnings or the value of the financial instruments held.

Foreign currency risk is the risk that the fair value of future cash flows for financial instruments will fluctuate because of the exchange in foreign exchange rates and the degree of volatility of these rates relative to the Canadian dollar. The Foundation is exposed to the risk of earnings fluctuations arising from foreign exchange rates at it earns revenues denominated in U.S. dollars.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is subject to interest rate risk arising primarily from fluctuations in rates on its cash balance. The Foundation's cash consists of funds primarily on deposit with CCITF as described in Note 3.

Note 13

Net Asset Management

The Foundation's objective when managing its Net Assets is to advance the Alberta economy by creating sustainable prosperity – jobs, wealth and well-being. The Foundation defines the Net Assets it manages as its operating equity, consisting both of restricted funds invested in Property and Equipment and unrestricted assets arising from operating surpluses (deficits) in program funding allocations from the AHFSER Endowment Fund.

All operating surpluses are either retained, reinvested in the Foundation's operations or in property and equipment. Annual funding requests are subject to restrictions as defined in the *AHFSER Act* (Note 10) and are determined each year as part of the budgeting process. Annual asset appropriation requests are submitted to the Board of Trustees for approval.

While not restricted from doing so, the Foundation does not maintain capital for buildings and has elected to lease the premises it occupies. The Foundation actively manages its asset structure and makes adjustments to it in light of economic conditions.

Note 14

Pending Legislation

The Government of Alberta has introduced Bill 27 *Alberta Research and Innovation Act* with the intent of implementing a framework which restructures provincially funded research and innovation organizations. The *Act* allows for the Lieutenant Governor to dissolve and restructure the Foundation. It is not known at this time what the impact will be on the Foundation.

Note 15

Approval of Financial Statements

These financial statements were approved by the Board of Trustees.

Note 16

Comparative Figures

Certain comparative figures have been reclassified to conform with the current year presentation.

Schedule to the Financial Statements

for the year ended March 31, 2009

Schedule A

Consolidated Statement of Operations

(in thousands)

for the year ended March 31, 2009

	Operations funded by Endowment	Prion Institute	Water Institute	nanoWorks	Other Awards	Consolidated
Revenue						
Transfers from Endowment (Note 10)	$ 29,800	$ —	$ —	$ —	$ —	$ 29,800
Grants from Advanced Education and Technology (Note 6)	—	6,889	4,045	4,314	54	15,302
	29,800	6,889	4,045	4,314	54	45,102
Programs						
Ingenuity Centres	9,350	—	—	—	—	9,350
Industrial Associateships	5,345	—	—	—	—	5,345
Research Funding	77	5,159	2,467	3,909	54	11,666
Students	4,745	—	—	—	—	4,745
New Faculty Awards	3,014	—	—	—	—	3,014
Enterprise Program	1,003	—	—	—	—	1,003
Fellowships	171	—	—	—	—	171
Scholars	1,383	—	—	—	—	1,383
Infrastructure	—	1,000	—	—	—	1,000
Sponsorships	953	—	—	75	—	1,028
Program Development	930	11	746	—	—	1,687
Internships / Special Initiatives	13	—	—	—	—	13
	26,984	6,170	3,213	3,984	54	40,405
Operations						
Human Resources	2,273	421	403	253	—	3,350
Communications	213	78	86	—	—	377
General Operations	247	32	—	32	—	311
	2,733	531	489	285	—	4,038
Administration						
Corporate administration	651	110	241	45	—	1,047
Governance and planning	515	78	102	—	—	695
Amortization of property and equipment	204	—	—	—	—	204
	1,370	188	343	45	—	1,946
	31,087	6,889	4,045	4,314	54	46,389
Excess of revenues over expenses	$ (1,287)	$ —	$ —	$ —	$ —	$ (1,287)

Other Information

Other Information

Audited Information

Endnotes

Statement of Remissions, Compromises and Write-offs

Statement of Guarantees and Indemnities

Endnotes

Endnote A

Surveys Conducted by an External Contractor

The final reports on the surveys mentioned below can be accessed at:
http://aet.alberta.ca/post-secondary/funding/supportsinstitutions/resources/data.aspx

Survey of Post-Secondary Institution Graduates

The Post-Secondary Graduate Outcomes Surveys are conducted every other year. Graduates of publicly funded post-secondary institutions are surveyed two years after graduation. The most recent survey was conducted in 2007-08, with 17,059 interviews being conducted for 2005-06 graduates from parchment programs at 27 Alberta publicly funded post-secondary institutions. The next survey will be conducted in 2009-10.

Graduates were surveyed by telephone about their employment outcomes upon graduating, further studies undertaken, and satisfaction with the overall quality of their educational experience. For smaller institutions, a census survey method, which attempts to obtain responses from all graduating students, was used. The larger institutions used a quota sampling method, which targeted achieving a response rate of 60%.

Only results from graduates of parchment programs (i.e. certificate, diploma and degree programs) were used in data calculations. The targeted number of responses was set to achieve a 95% confidence level, by institution, with a 5% confidence interval (or better). Results are reported across each of the following sectors: all universities combined, all university colleges combined, all colleges combined and all technical institutes combined. Results presented are the combined percentages of respondents who were *very satisfied / satisfied*, or who *strongly agreed / agreed*. *No responses* were excluded.

The results of surveys conducted prior to 2005-06 are not comparable to the survey results from the 2005-06 and 2007-08 surveys because of changes in survey methodology. The 2005-06 and 2006-07 surveys used a four-point scale for questions related to graduate satisfaction (*very satisfied*, *satisfied*, *dissatisfied* and *very dissatisfied* categories), whereas previous surveys used a five-point scale (including a middle *neutral* response category).

Institution Type	Completed Interviews	Confidence Interval
Universities	8,652	±0.8%
Public Colleges	5,191	±1.0%
Technical Institutes	2,802	±1.4%
Private University Colleges	414	±3.0%
System Total	17,059	±0.5%

The 2007-08 survey was coordinated by Alberta Advanced Education and Technology to ensure consistent implementation of the survey among all participating post-secondary institutions, using a common survey methodology and timeframe. The survey was conducted between January and April of 2008 by an independent third-party contractor. The question set used will be in the next update of the *Key Performance Indicators Reporting Manual for Alberta's Post-Secondary Institutions*, available online at:
http://aet.alberta.ca/post-secondary/funding/supportsinstitutions/resources/data.aspx

Survey of Apprenticeship Graduates

Surveys of recent apprenticeship graduates are conducted every other year. The last survey was conducted in 2009, with 3,484 interviews of apprentices who had graduated between August 1, 2007 and July 31, 2008. Graduates were surveyed by telephone about their satisfaction with the apprenticeship and industry training system. Survey findings were published in the report Survey of 2007-08 Graduates of the Apprenticeship System – Key Performance Indicators, May 22, 2009. The percentages of Alberta apprenticeship training system graduates who were somewhat satisfied or very satisfied with the quality of their on-the-job training and technical training are reported.

Satisfaction questions are based on a four-point scale. Satisfaction rates are based on those respondents who report being somewhat satisfied or very satisfied. The percentage is calculated by dividing the sum of the somewhat satisfied and very satisfied by the total number of survey respondents, including the don't know responses to these questions.

Not all apprenticeship graduates completed a technical training component as part of their apprenticeship program. As a result, respondents who had not completed any technical training or who had completed their technical training prior to starting their apprenticeship were omitted from this portion of the analysis. This represents about 11% of the apprentice graduate population.

Endnote A

Surveys Conducted by an External Contractor (continued)

In order to provide detailed analysis by trade group, training institute and region, the sampling frame included a census of the populations of both cohorts, with a minimum number of completed interviews attained for each cohort. The following table provides the sample size and confidence interval for each cohort.

Cohort	Completed Interviews	Confidence Interval
Graduates who attended technical training and completed on-the-job training requirements of their trade in the 2007-08 school year.	2,235	±1.3%
Graduates who completed their apprenticeship program in the 2007-08 school year, but did not attend technical training in that year.	1,481	±1.8%
	3,716	±1.1%

Based on the sampling method identified above, a minimum of 3,716 completed interviews was to be conducted from the two cohorts. The population of 2007-2008 graduates of apprenticeship training was split 56% to 44% respectively between those who completed both their technical training and on-the-job training requirements in the 2007-08 school year and those who had completed their technical training prior to the 2007-08 school year (or were not required to take any technical training during their apprenticeship).

Cohort	Completed Interviews	Confidence Interval
Graduates who attended technical training and completed on-the-job training requirements of their trade in the 2007-08 school year.	2,046	±1.5%
Graduates who completed their apprenticeship program in the 2007-08 school year, but did not attend technical training in that year.	1,438	±1.9%
	3,484	±1.1%

Despite the shortfall in the number of expected survey completions, overall survey results provide a margin of error of no greater than +1.1% at the 95% confidence level or 19 times out of 20, and does not impact the quality of the results reported. Based on the outcome of all call attempts, an overall response rate of 55% was achieved for Cohort 1 and 49% for Cohort 2, with an overall response rate of 52%.

Public and Employer Surveys

Alberta Advanced Education and Technology collaborated with Alberta Education to commission telephone surveys of random samples of the Alberta public and key client groups. The purpose of these surveys is to obtain perceptions of how the education system is performing in meeting learners' and society's needs and expectations. Professional survey research firms are contracted to conduct the surveys, using trained interviewers and the Computer-Assisted Telephone Interviewing (CATI) system. Survey results are compiled by the survey research firms and provided to the two ministries. Surveys of the public are conducted annually. The Employer Satisfaction Survey is conducted every second year, last conducted in 2007-08. Therefore, no data is available for 2008-09 regarding employer satisfaction with learning system graduates.

The following table provides historical sampling information for the public and employer surveys. The information includes the respondent groups surveyed, sample sizes and the confidence intervals for results from the survey. Results are considered accurate within the confidence interval 19 times out of 20 (i.e. at a confidence level of 95%). Sampling variation can account for observed differences in results from year to year.

Survey	Public (re adult learning system)		Adult Learners		Adults not participating in learning		Employers	
	Sample	Confidence Interval	Sample	Confidence Interval	Sample	Confidence Interval	Sample	Confidence Interval
2003-04	3,000	±1.8%	1,000	±3.1%	2,000	±2.2%	2,000	±2.2%
2004-05	3,000	±1.8%	1,035	±3.0%	1,965	±2.2%	—	–
2005-06	3,000	±1.8%	1,049	±3.0%	1,951	±2.2%	2,200	±2.0%
2006-07	3,000	±1.8%	986	±3.1%	2,014	±2.2%	—	–
2007-08	3,000	±2.2%	972	±3.1%	2,028	±2.2%	2,201	±2.1%
2007-08	1,500	±2.5%	483	±4.5%	1,017	±3.1%	—	–

Endnote A

Surveys Conducted by an External Contractor (continued)

The survey instruments for these surveys use four-point response scales (*very satisfied / satisfied / dissatisfied / very dissatisfied* or *strongly agree / agree / disagree / strongly disagree*), depending on the question. Although not asked, *don't know* responses and refusals are recorded as well. Results presented are the combined percentages of respondents who were *very satisfied / satisfied*, or who *strongly agreed / agreed*.

The public survey results were published May 2009 in the report *Satisfaction with Education in Alberta: 2008/09 Public/Adult Learners/Adult Non-Learner Survey*. The last employer results were published February 2008, in the report *2007-08 Employer Satisfaction Survey*.

Endnote B

Use of Confidence Intervals for Interpreting Survey Results

When a result is obtained by surveying a random sample of the target population (e.g. the public, employers, graduates), there is a confidence interval associated with the result, which is expressed as a percentage above and below the obtained result. A confidence interval indicates how much variation one might expect from the obtained survey result, as a consequence of sampling and diversity among respondents. Differences in survey results over time or among respondent groups on the same survey question are reported at the ".05 level of confidence" (i.e. the same results would be obtained in repeated sampling 19 times out of 20).

In Advanced Education and Technology's Annual Report, confidence intervals are used to determine:

- whether differences in survey results over time are likely the result of sampling variations, or represent actual change, and
- whether differences among respondent groups to the same question are likely the result of sampling variations or represent actual differences.

When comparing results of survey questions over time or among respondent groups, there is an actual difference between two survey results, 19 times out of 20, if there is no overlap between the confidence intervals of the two observed values. When this is the case, it is acknowledged in the related text that there is an increase, change or significant difference in survey results over time or among groups. When the confidence intervals of the two observed values do overlap, the observed difference will be due to sampling variation 19 times out of 20, and we cannot conclude that the difference is real (i.e. "significant"). In such cases, the related text indicates that results are similar or stable over time or among groups.

The following hypothetical examples illustrate:

a) two survey results where the confidence intervals overlap and, consequently, it is concluded that there is no real difference between the two survey results.

   Example: Where two survey results are 76% and 80%, both with a confidence interval of 2.5%, then the upper limit of the confidence interval for the "76%" result is 78.5%, and the lower limit of the confidence interval of the "80%" result is 77.5%. Since the confidence intervals "overlap", it cannot be concluded that there is a real difference between the two survey results, as the observed difference could be due to sampling variation.

b) two survey results where the confidence intervals do not overlap and, consequently, it is concluded that there is a real difference between the two survey results.

   Example: If the two survey results are 74% (with a confidence interval of 2.5%) and 80% (also with a confidence interval of 2.5%), the upper limit of the confidence interval for the "74%" result is 76.5%, and the lower limit of the confidence interval of the "80%" result is 77.5%. Since the confidence intervals "do not overlap," it can be concluded that there is a real difference between the two survey results, as sampling variation alone does not account for the observed difference. In such cases, the related text indicates that there is a significant difference over time (i.e. an increase or decrease) or between groups.

Endnote C

Statistics Canada's Labour Force Survey

The Labour Force Survey (LFS) is a monthly Canada-wide survey, conducted by Statistics Canada, of a representative sample of households in the provinces and territories. Data are collected on all members of the household who are 15 years of age or older. Persons living on Indian Reserves, inmates of institutions, and full-time members of the Canadian Armed Forces are excluded from the survey.

The Canadian sample size for the LFS averaged 53,359 households over the reporting period. Alberta's sample size corresponds to its share of the population. In 2008 between 5,116 and 5,299 Alberta households were surveyed each month (an average of 5,206 per month), with information provided on between 10,299 and 10,593 individuals per month.

Endnote C

Statistics Canada's Labour Force Survey (continued)

The definition of post-secondary education for the post-secondary completion rates performance measure was expanded in the 2005 reporting year. Previously, only college and university participation rates were included in the measure. The measure reported in this annual report was expanded to include other post-secondary education. The other category, as defined by Statistics Canada, includes those who report attending institutions such as English as a second language or taking French language courses that do not qualify as high school, college or university education; computer and business skills programs other than those offered by colleges or universities; culinary, hairdressing or bartending schools; and police academies. Including the other category makes the measure more inclusive, in keeping with the direction of the Ministry to encourage all types of advanced learning.

To capture information on Aboriginal Albertans, Advanced Education and Technology, along with other government departments, has contracted Statistics Canada to over sample the Aboriginal population in the LFS, to improve the quality of data available on Aboriginal educational and labour market outcomes. Aboriginal identifier questions were added to the Alberta LFS and the sample was increased. Increased sampling was undertaken in urban centres such as Edmonton, Calgary, Lethbridge and Red Deer, with significant Aboriginal populations. Between 260 and 288 Alberta households containing Aboriginals were surveyed each month in 2008, with information provided on between 356 and 414 Aboriginal individuals aged 25-64 each month and a total of 4,562 over the year.

The coefficient of variation (the standard error as a percentage of the reported result), which measures the accuracy of the Labour Force Survey's estimates, varies and is proportional to the size of the age groups. In general, the larger the head count in each age group, the higher the accuracy. Below is a table showing the sizes of the age groups and the associated coefficients of variation.

Population	Age Group	Average Monthly Count of Persons *	Coefficient of Variation
All Albertans	18-34	3,267	±2.5%
	25-64	7,210	±1.0%
Aboriginal Albertans	25-64	380	±5.0%

* approximate number

Additional information on the Labour Force Survey methodology and interpreting CVs is available on pages 26-31 of the Guide to Labour Force Survey, Catalogue no. 71-543-GWE (Revised April 2009), available online from Statistics Canada: www.statcan.gc.ca

Endnote D

Learner Enrolment Reporting System

The Learner Enrollment Reporting System (LERS) is a database used by the Department to track changes in learner demographics and characteristics in the advanced education system. Alberta publicly funded institutions submit their enrolment data in credit programs to the Department where it is reviewed. Enrolment data are subject to a host of accountability constraints and are signed off by institutional and Department officials as correct. Data for Alberta's publicly funded institutions are reported in LERS for the academic year (May to April for universities, July to June for colleges and technical institutes and May to April for private university colleges). Finalized data are available in the fall for the previous academic year.

Endnote E

International Visa Students Registered at Alberta Post-Secondary Institutions

International student participation is a measure of the quality of the advanced learning system. Change in enrolment over time is an indicator of the Department's success in achieving international recognition and increasing international visa student participation.

The total number of international students has been defined as the total unduplicated headcount of students who require a visa to study in Canada and are physically attending a publicly-funded post-secondary institution in Alberta at some point during the academic year. Learners taking online classes from their home country are not included in this measure. Athabasca University is not a campus-based institution, and therefore Athabasca University enrolments have not been included as all students are taking online courses. Data are provided by institutions and stored in the Learner Enrollment Reporting System (LERS).

See Endnote D (p. 160) re LERS.

Endnote F

High School to Post-Secondary Education Transition Rate

The high school to post-secondary transition rate reports the percentages of Alberta students in public, separate, francophone, charter, and private schools who, within four and six years of starting Grade 10:

- enrolled in a credit program, part-time or full-time, in an Alberta post-secondary institution, or
- registered in an apprenticeship program other than the Registered Apprenticeship Program for high school students.

Students are tracked using data from Alberta Education and Alberta Advanced Education and Technology systems. The high school to post-secondary transition rate includes adjustments for attrition and for attendance at post-secondary institutions out of province. Attrition adjustments are based on estimates from Statistics Canada's Annual Demographic Statistics 2006* (CD-ROM). The estimate of Alberta students attending post-secondary institutions out of province uses aggregate student counts from Alberta Advanced Education and Technology's enrolment and Students Finance systems. Students whose education is not the responsibility of the provincial government, as well as students who are identified as having cognitive disabilities or a severe multiple disability are not included in the high school to post-secondary transition rates. A more detailed description of the methodology, along with post-secondary transition rates for Alberta school jurisdictions, is available online at:
www.education.alberta.ca/department/ipr/studentoutcomes/transition.aspx

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Endnote G

New Apprentice Registrations

The apprenticeship and industry training system is adapting to the needs of registered apprentices and their employers in the face of the economic challenges of 2008-2009. The ability to attract learners into the apprenticeship system is influenced by economic circumstances and employer willingness to employ and sign on more apprentices. The Department's ability to impact this measure is limited.

The number of new apprentice registrations is based on calendar year results ending December 31. This measure is based on a last five-year average calculation of the number of new registrations. An average is taken in order to smooth out any sharp rises or drops in the level that could occur in any particular year. The 2008 figure is based on averaging new registrations from 2004 to 2008.

New apprentices include all apprentices that register during the calendar year. It includes those returning to do an additional apprenticeship after completing one or more apprenticeships in previous years and those continuing an apprenticeship in another trade for which they registered in a previous year. Apprentices who registered in more than one trade or branch of a trade within the year are counted only once. The number does not include re-instated apprentices (unless re-instated in the same year).

The source of this data is Advanced Education and Technology's Skilled Trades Information System (STIS). STIS is a dynamic database system, which is updated constantly by field staff across the province. Therefore, the data generated is only as up-to-date as the last update provided from staff. The data is not frozen and results can vary if pulled at different points in time. As a result, this data will not be able to be replicated from STIS at a later date.

Endnote H

Participation of Aboriginal Learners in Apprenticeship

Aboriginal apprenticeship registrations are strongly influenced by the economy. Initiatives also aim to increase the number of Aboriginal learners in the trades. With an upturn in the economy, skill shortages are likely to emerge again.

This measure is based on the number of registrations of Aboriginal learners at year end (December 31). Aboriginal status is self-disclosed, so the count of registrations may be lower than the actual number of Aboriginal persons participating in apprenticeship. Aboriginal apprentices who registered in more than one trade or branch of a trade within the year are counted only once.

This measure includes Aboriginal apprentices registered in Alberta's apprenticeship and industry training system, but who reside in other Canadian jurisdictions. Alberta provides technical training for apprentices from other provinces and territories where the trade is designated, but the jurisdictions are unable to provide the training due to small apprentice registration numbers. Alberta does not issue these individuals a certificate. In 2006 and 2007 there were three, and in 2005 there were no such Aboriginal apprentices participating in Alberta's apprenticeship and industry training system.

The source of this data is Advanced Education and Technology's Skilled Trades Information System (STIS). See Endnote G (p. 161) for information on STIS. To ensure that the data provided clearly represents the number of Aboriginal apprentices participating in the apprenticeship and industry training system, 126 Aboriginal apprentices that had not progressed in their program during the 18 months prior to December 31, 2008 were removed from the 2008 total.

Endnote I

Participation of Aboriginal Learners at Post-Secondary Institutions

Aboriginal participation at post-secondary institutions is a measure of the system's ability to attract diverse learners. Monitoring this information and observing the changes in enrolment over time is an indicator of the Ministry's success in increasing Aboriginal learner participation in post-secondary education.

Aboriginal participation in post-secondary education is measured by the total unduplicated headcount of Aboriginal learners who have registered at publicly funded post-secondary institutions. Data are collected from the institutions and entered into the Learner Enrollment Reporting System (LERS). Learners who self-identified as Status Indian/First Nations, Non-Status Indian/First Nations, Métis, or Inuit were included in the count. Aboriginal status is self-disclosed; therefore the count of registrations may be lower than the actual number of Aboriginal learners participating in the system.

The methodology for this measure includes all Aboriginal learners participating at Alberta's publicly funded post-secondary institutions. Previously, the measure only tracked Aboriginal Albertans participating in the system. The new methodology better captures the system's ability to attract Aboriginal learners.

See Endnote D (p. 160) re LERS.

Endnote J

Graduates who Received the Transfer Credit they Expected

The percentage of post-secondary graduates with prior learning who reported they had received the transfer credit they expected is an indicator of the ability of the system to help students achieve desired outcomes. Additionally, the measure offers insight into collaborative transfer arrangements between Alberta's post-secondary institutions.

In the *Albeta Post-Secondary Graduate Outcomes Survey, Class of 2005-06*, graduates with prior learning were asked if they received the transfer credit they expected. Results reported include only those who responded *yes* (other response options included *no*, *don't know* and *no response*). Graduates are surveyed two years after graduation.

See Endnote A (p. 157) re the Post-Secondary Graduate Outcomes Survey.

Endnote K

Progran was Worth the Financial Cost

The percentage of post-secondary graduates who agree that the program they graduated from was worth the financial cost is an indicator of the ability of the system to help students achieve desired outcomes.

Data come from the *Alberta Post-Secondary Graduate Outcomes Survey, Class of 2005-06*. Graduates surveyed two years after gradution were asked if they considered the program they graduated from to be worth the financial cost to themselves and/or their family. Responses for those who *agree* or *strongly agree* were combined to obtain the percentage of graduates who agree that the program they graduated from was worth the financial cost.

See Endnote A (p. 157) re the Post-Secondary Graduate Outcomes Survey.

Endnote L

Public Agreement that Post-Secondary Education is Accessible

Public satisfaction that courses, programs and classes are offered in locations that are accessible is an indicator of accessibility of post-secondary education.

Through the annual public survey, Albertans are asked how satisfied they are that "programs, classes or courses you want are offered in locations (including on-line) that are easily accessible for you." The satisfaction levels are the combined percentage of those *satisfied* and *very satisfied*.

See Endnote A (p. 157) re Education and Advanced Education and Technology's Public Survey.

Endnote M

Ratio of Debt at Graduation to Income Two Years After

The ratio of graduates' income two years after graduation to debt at graduation is a measure of the ability of learners to afford and attend post-secondary education considering their employability after graduation. A lower ratio of debt to income is indicative of lower debt levels of students and/or higher incomes after graduation.

The Gradate Outcomes Survey targets graduates two years after graduation. This measure is based on graduates who had debt at the time of their graduation and were employed two years after graduation. The ratio of debt to income is calculated by dividing median debt by median income. Graduates who did not accumulate any debt by graduation or were not employed two years after graduation were not included in the calculations as they would have skewed the results.

See Endnote A (p. 157) re the Post-Secondary Graduate Outcomes Survey.

Endnote N

Scholarship Dollars per Full-Time Student

Scholarship dollars per full-time student provides a snapshot of the Ministry's ability to fulfill one of its strategic priorities of ensuring quality and innovation in the advanced learning system.

The scholarship dollars per full-time student is determined by the total scholarship expenditures divided by the total number of full-time students in Alberta's post-secondary institutions. Scholarship expenditure data comes from Alberta Advanced Education and Technology's Learner Assistance Sector and includes Department expenditures on Achievement Scholarships. Enrolment data comes from the Learner Enrollment Reporting System (LERS).

See Endnote A (p. 157) re the Post-Secondary Graduate Outcomes Survey.

See Endnote D (p. 160) re LERS.

Endnote O

Government of Alberta Expense used to Support Innovation

Innovation is comprised of science and technology and also other sources of new ideas that lead to new and improved products and services. Science and technology is comprised of research and development and also related science activities, which are reported annually by all Government of Alberta (GOA) ministries in a Statistics Canada report. The most recent is Scientific Activities of the Government of Alberta 2007-08 and 2008-09 Preliminary Survey Results, April 2009.

GOA investments to support innovation totaled $797.3 million in 2007-08. The actual total expense of the GOA in 2007-08 was $33,432 million. These numbers were used to calculate the percentage of GOA expense used to support innovation. The information is reported annually by all GOA departments. Statistics Canada, under contract with Advanced Education and Technology, collects the research and development and related scientific activity data from GOA departments following internationally accepted guidelines and definitions, documented in the Frascati manual by the Organization for Economic Co-operation and Development. In addition, Ministry staff obtains from other departments expenditures on innovation supporting activities. The most recent audited information is used, which is for the fiscal year before the reporting period.

Some of the GOA programs and investments supporting innovation in the province are:

- The Innovation Program, administered by Advanced Education and Technology on behalf of the GOA.
- The Industry and Regional Development, Trade and Investment, investments carried out by Alberta Economic Development.
- The Innovative Energy Technology Program, administered by Alberta Energy which supports the adoption and use of innovative energy technologies. It provides royalty adjustments to a number of specific pilot and demonstration projects that use innovative technologies to increase recoveries from existing reserves and encourage responsible development of oil, natural gas and in-situ oil sands reserves.
- In 2007-08, the Alberta Heritage Foundation for Medical Research received a $150 million top up to its endowment.

Endnote P

Albertans Employed in Knowledge-Intensive Companies

The number and percentage of employees in knowledge-based (high-tech) companies is a measure of Alberta's research and innovation capability. Alberta knowledge-intensive (high-tech) company employment information comes from Statistics Canada's Labour Force Survey. See Endnote C (p. 159) for more information on the Labour Force Survey.

Knowledge-intensive (high-tech) companies are defined by North American Industry Classification System (NAICS). The following NAICS codes comprise the High-Technology Sector:

3254 - Pharmaceutical and Medicine Manufacturing
334 - Computer and Electronic Manufacturing
3353 - Electrical Equipment Manufacturing
3359 - Other Electrical Equipment and Component Manufacturing
3364 - Aerospace Product and Parts Manufacturing
5112 - Software Publishers
5152 - Pay and Specialty Television
516 - Internet Publishing and Broadcasting
517 - Telecommunications
5182 - Data Processing, Hosting, and Related Services
5191 - Other Information Services
5413 - Architectural, Engineering and Related Services
5415 - Computer Systems Design and Related Services
5416 - Management, Scientific and Technical Consulting Services
5417 - Scientific Research and Development Services
6215 - Medical and Diagnostic Laboratories
8112 - Electronic and Precision Equipment Repair & Maintenance

Endnote Q

Canadian Venture Capital Invested in Alberta

Venture capital is a measure of the capacity available to support an innovative and globally competitive economy. The Ministry's ability to impact venture capital investment is limited; however, the Ministry is taking action to increase venture capital investment in the province.

Data on Canadian venture capital comes from the VCReporter™ system provided by Thomson Financial, available at www.canadavc.com. The amount of VC funds invested in Canada and the provinces was collected from VCReporter™ within the following parameters:

- Data are collected for Quarters 1, 2, 3 and 4 of year being reported on.
- Data are collected for both new funding and follow-on funding.
- Data are collected for the life sciences, information and communications, and other technology (energy and environmental).
- Data are not collected for traditional industries (i.e. retail and manufacturing).
- Data are collected for early stage deals (seed and start-up) and expansion stage deals.
- Data are not collected for later stage deals (mezzanine, turnaround, etc.).
- Data are collected for all size deals (i.e. less than $500,000 through greater than $5 million).

VCReporter™ is a dynamic database, allowing the data that is stored to be supplemented with additional data. Data from earlier periods can be added at a later date, providing more accurate depictions at the later date. 2008 data retrieved from VCReporter™ to calculate the percentage of Canadian VC funds that were invested in Alberta's Strategic Priority Areas was collected on May 22, 2009.

Endnote R

Business Expenditure on Research and Development

This is a measure of the Government of Alberta's influence on business expenditures on research and development (R&D), through the research funding programs that, as part of the proposal evaluation process, considers business investment in the proposed projects as a factor in funding decisions.

The data were obtained from Statistics Canada's CANSIM summary tables derived from table 358-0001
http://www40.statcan.gc.ca/l01/cst01/scte01k-eng.htm

Statistics Canada obtains R&D data from research performers. Businesses are surveyed annually by Statistics Canada. This measure tracks the amount of funding provided by businesses regardless of which performing entity spent it. Provincial level data, including Alberta's data, lags by two years due to the information gathering and analysis process. Additional information on Statistics Canada's methodology can be found at:
www.statcan.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&SDDS=4201&lang=en&db=IMDB&dbg=f&adm=8&dis=2

Historical results (2002 to 2005) have been revised by Statistics Canada to reflect new information available on business expenditures on research and development in Alberta.

Endnote S

Total Sponsored Research Revenue Attracted by Alberta Universities

This measure provides an indicator of the value of sponsored research at Alberta universities. The funding sources include the provincial government, industry and non-profit organizations, and the federal government.

Sponsored research revenues are those received outside of the university base operating grant and include both research grants and research contracts. This performance measure reflects research capability in Alberta through the success of its major universities in attracting sponsored research funding from several sources.

The data is provided to Advanced Education and Technology by the University of Alberta, the University of Calgary, the University of Lethbridge and Athabasca University. The universities submit the data using a template and guidelines which outline the information required and specific instructions regarding how the revenue should be reported. This ensures that the data submitted is comparable across universities. The universities derive the data from audited financial statements and supplementary schedules. The time required to compile data means that the last actual report lags one year behind the reporting cycle. The practice has been to use the target in the reporting year as the benchmark against which to compare the last actual performance.

The 2006-07 actual is re-stated in the Annual Report as per an update received in 2008 from the University of Calgary. The University of Calgary updated their total sponsored research revenue for 2006-07 to include support for buildings related to research activity.

Advanced Education and Technology is currently transitioning to a new process for collecting sponsored research revenue data.

Endnote T

Total Sponsored Applied Research Revenue Attracted by Alberta Technical Institutes and Colleges

Total sponsored research revenue attracted by Alberta technical institutes and colleges measures the growth of the research capacity and capability of technical institutes and colleges in the province.

The data is reported based on standardized sponsored research reporting templates submitted by each institution to the Ministry of Advanced Education and Technology. Questions from the institutions about the guidelines, reporting of data and the final data collection are directed to a representative of Advanced Education and Technology. The data are compiled by the Department representative and verified by a manager before it is reported in the annual report.

The 2005-06 data has been revised from $6.7 million to $3.7 million due to a revision of technical institute data.

Endnote U

Graduate Students Studying in Alberta

Building a highly skilled and qualified workforce means building research and innovation capacity in the province. Graduate students studying in the system conduct research and do innovative work adding to Alberta's research capacity.

A graduate student is defined as a person enrolled in a program leading towards a master or doctoral level degree, those enrolled in post-degree certificate and diploma programs containing courses that are equivalent to those offered in masters or doctoral programs and the medical resident students.

A learner participating in a graduate level course counts as one student. The measures do not differentiate between part-time and full-time learners or between Masters, PhD and Post Doctorate students. Data comes from the Learner Enrollment Reporting System (LERS). See Endnote D (p. 160) for information on LERS.

Data for the number of graduate students studying in Alberta in 2004-05 and 2005-06 have been restated to correct for graduate codes that were missing from the data previously reported in Advanced Education and Technology's 2006-07 Annual Report and 2007-10 Business Plan. New targets have been set in the 2008-11 Business Plan to reflect the change in the data.

Having people with the right skills and knowledge is what will drive Alberta's economy and position Alberta for success. The proportion of graduate students studying in the priority areas of energy, life sciences, nanotechnology, and information and communications is a new measure.

Graduate level programs within the following categories were selected and reviewed for fit with the priority areas of energy, life sciences, ICT, and nanotechnology by a Ministry working group.

- Biology
- Agriculture
- Computer and Information Science
- Engineering
- Health Research
- Mathematics
- Natural Resources and Conservation
- Physical Sciences
- Multi/Interdisciplinary Studies
- Science Technologists/Technicians

Endnote V

iCORE Awards

The measure is a summary of the data from contracts iCORE has with the universities to fund Major Awards and Graduate Student Awards. An electronic database of contract information is maintained which generates reports on counts of contracts and individuals. iCORE submits data to the Ministry, then management reviews the data before the respective report is finalized.

Major Awards include: research chairs, research professors and industry research chairs. In the case of a co-award, where two people share a major award, this is counted as two awards as there are two people who receive the title and funding. In 2008-09 there were no new co-awards. In instances where one person received two awards (a research chair and an industry chair), each award is counted separately. In 2008-09, there were no additional researchers who received two awards.

iCORE has board-approved criteria and processes for granting graduate student awards. For each graduate student, the criteria are checked and the award is made.

Statement of Remissions, Compromises and Write-offs

(in thousands)

for the year ended March 31, 2009

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

Remissions under Section 21 of the *Financial Administration Act*	$ 29,081
Compromises under Section 22 of the *Financial Administration Act*	64
Write-offs – Implemented Guarantees, Indemnities, Loans and Advances – Section 20 of the *Student Financial Assistance Act*	774
Total remissions, compromises and write-offs	$ 29,919

Statement of Guarantees and Indemnities given by the Crown and Provincial Corporations

(in thousands)

for the year ended March 31, 2009

The following has been prepared pursuant to Section 75 of the *Financial Administration Act*. The statement summarizes the amounts of all guarantees given by the Crown through the Ministry of Advanced Education under the *Student Loan Act* for the year ended March 31, 2009, the amounts paid as a result of liability under guarantees, and the amounts recovered on debts owing as a result of payments under guarantees.

	Amount of Guarantee	Payments	Recoveries
Crown Guarantees	$ —	397	1,182

Alphabetical List of Government Entities' Financial Statements

Alphabetical List of Government Entities' Financial Statements

Entities included in the Consolidated Government Reporting Entity

Entities not included in the Consolidated Government Reporting Entity

Government Entities' Financial Statements in Ministry 2008-09 Annual Reports

Entities included in the Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Access to the Future Fund	Advanced Education and Technology
Agriculture Financial Services Corporation	Agriculture and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund	Finance and Enterprise
Alberta Capital Finance Authority	Finance and Enterprise
Alberta Energy and Utilities Board[1]	Energy
Alberta Enterprise Corporation[2]	Advanced Education and Technology
Alberta Foundation for the Arts	Culture and Community Spirit
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance and Enterprise
Alberta Heritage Savings Trust Fund	Finance and Enterprise
Alberta Heritage Scholarship Fund	Finance and Enterprise
Alberta Heritage Science and Engineering Research Endowment Fund	Finance and Enterprise
Alberta Historical Resources Foundation	Culture and Community Spirit
Alberta Insurance Council	Finance and Enterprise
Alberta Investment Management Corporation[3]	Finance and Enterprise
Alberta Livestock and Meat Agency[4]	Agriculture and Rural Development
Alberta Local Authorities Pension Plan Corporation	Finance and Enterprise
Alberta Pensions Administration Corporation	Finance and Enterprise
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance and Enterprise
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance and Enterprise
Alberta Social Housing Corporation	Housing and Urban Affairs
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks and Recreation
Alberta Treasury Branches	Finance and Enterprise
Alberta Utilities Commission[1]	Energy
ATB Insurance Advisors Inc.	Finance and Enterprise
ATB Investment Management Inc.	Finance and Enterprise
ATB Investment Services Inc.	Finance and Enterprise
ATB Securities Inc.	Finance and Enterprise
Child and Family Services Authorities	Children and Youth Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	
C-FER Technologies (1999) Inc.	Advanced Education and Technology

1. *Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.*
2. *The Act was proclaimed and came into force on December 5, 2008.*
3. *Began operations July 1, 2008.*
4. *Incorporated on January 29, 2009.*

Entities included in the Consolidated Government Reporting Entity (continued)

Ministry, Department, Fund or Agency	*Ministry Annual Report* ▲
Climate Change and Emissions Management Fund[5]	Environment
Credit Union Deposit Guarantee Corporation	Finance and Enterprise
Colleges	Advanced Education and Technology
Alberta College of Art and Design	
Bow Valley College	
Grande Prairie Regional College	
Grant MacEwan College	
Keyano College	
Lakeland College	
Lethbridge College	
Medicine Hat College	
Mount Royal College	
NorQuest College	
Northern Lakes College	
Olds College	
Portage College	
Red Deer College	
Department of Advanced Education and Technology	Advanced Education and Technology
Department of Agriculture and Rural Development	Agriculture and Rural Development
Department of Children and Youth Services	Children and Youth Services
Department of Culture and Community Spirit	Culture and Community Spirit
Department of Education	Education
Department of Energy	Energy
Department of Finance and Enterprise	Finance and Enterprise
Department of Environment	Environment
Department of Health and Wellness	Health and Wellness
Department of Housing and Urban Affairs	Housing and Urban Affairs
Department of Municipal Affairs	Municipal Affairs
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Department of Tourism, Parks and Recreation	Tourism, Parks and Recreation
Energy Resources Conservation Board[1]	Energy
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance and Enterprise
Government House Foundation	Culture and Community Spirit
Historic Resources Fund	Culture and Community Spirit
Human Rights, Citizenship and Multiculturalism Education Fund	Culture and Community Spirit
iCORE Inc.	Advanced Education and Technology
Lottery Fund	Solicitor General and Public Security
Ministry of Aboriginal Relations[6]	Aboriginal Relations
Ministry of Advanced Education and Technology	Advanced Education and Technology
Ministry of Agriculture and Rural Development	Agriculture and Rural Development
Ministry of Children and Youth Services	Children and Youth Services
Ministry of Culture and Community Spirit	Culture and Community Spirit
Ministry of Education	Education
Ministry of Employment and Immigration[6]	Employment and Immigration
Ministry of Energy	Energy

▼

1. *Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.*
5. *Began operations July 1, 2007.*
6. *The ministry includes only the department. A separate departmental financial statement is not necessary.*

Entities included in the Consolidated Government Reporting Entity (continued)

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Ministry of Environment	Environment
Ministry of Executive Council[6]	Executive Council
Ministry of Finance and Enterprise	Finance and Enterprise
Ministry of Health and Wellness	Health and Wellness
Ministry of Housing and Urban Affairs	Housing and Urban Affairs
Ministry of Infrastructure[6]	Infrastructure
Ministry of International and Intergovernmental Relations[6]	International and Intergovernmental Relations
Ministry of Justice[6]	Justice
Ministry of Municipal Affairs	Municipal Affairs
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Service Alberta[6]	Service Alberta
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Tourism, Parks and Recreation	Tourism, Parks and Recreation
Ministry of Transportation[6]	Transportation
Ministry of the Treasury Board[6]	Treasury Board
N.A. Properties (1994) Ltd.	Finance and Enterprise
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Provincial Judges and Masters in Chambers Reserve Fund	Finance and Enterprise
Regional Health Authorities and Provincial Health Boards	Health and Wellness
Alberta Cancer Board	
Alberta Mental Health Board	
Aspen Regional Health Authority	
Calgary Health Region	
Capital Health	
Chinook Regional Health Authority	
David Thompson Regional Health Authority	
East Central Health	
Health Quality Council of Alberta	
Northern Lights Health Region	
Peace Country Health	
Palliser Health Region	
Safety Codes Council	Municipal Affairs
School Boards and Charter Schools	Education
Almadina School Society	
Aspen View Regional Division No. 19	
Aurora School Ltd.	
Battle River Regional Division No. 31	
Black Gold Regional Division No. 18	
Boyle Street Education Centre	
Buffalo Trail Public Schools Regional Division No. 28	
Calgary Arts Academy Society	

6. *The ministry includes only the department. A separate departmental financial statement is not necessary.*

Entities included in the Consolidated Government Reporting Entity *(continued)*

Ministry, Department, Fund or Agency	*Ministry Annual Report*
School Boards and Charter Schools *(continued)*	Education
Calgary Girls' School Society	
Calgary Roman Catholic Separate School District No. 1	
Calgary School District No. 19	
Calgary Science School Society	
Canadian Rockies Regional Division No. 12	
CAPE-Centre for Academic and Personal Excellence Institute	
Chinook's Edge School Division No. 73	
Christ the Redeemer Catholic Separate Regional Division No. 3	
Clearview School Division No. 71	
East Central Alberta Catholic Separate Schools Regional Division No. 16	
East Central Francophone Education Region No. 3	
Edmonton Catholic Separate School District No. 7	
Edmonton School District No. 7	
Elk Island Catholic Separate Regional Division No. 41	
Elk Island Public Schools Regional Division No. 14	
Evergreen Catholic Separate Regional Division No. 2	
FFCA Charter School Society	
Foothills S[illegible]ool Division No. 38	
Fort McMurr[illegible]y Roman Catholic Separate School District No. 32	
Fort McMurray School District No. 2833	
Fort Vermilion School Division No. 52	
Golden Hills School Division No. 75	
Grande Prairie Public School District No. 2357	
Grande Prairie Roman Catholic Separate School District No. 28	
Grande Yellowhead Regional Division No. 35	
Grasslands Regional Division No. 6	
Greater North Central Francophone Education Region No. 2	
Greater Southern Public Francophone Education Region No. 4	
Greater Southern Separate Catholic Francophone Education Region No. 4	
Greater St. Albert Catholic Regional Division No. 29	
High Prairie School Division No. 48	
Holy Family Catholic Regional Division No. 37	
Holy Spirit Roman Catholic Separate Regional Division No. 4	
Horizon School Division No. 67	
Lakeland Roman Catholic Separate School District No. 150	
Lethbridge School District No. 51	
Living Waters Catholic Regional Division No. 42	
Livingstone Range School Division No. 68	
Medicine Hat Catholic Separate Regional Division No. 20	
Medicine Hat School District No. 76	
Moberly Hall School Society	
Mother Earth's Children's Charter School Society	
New Horizons Charter School Society	
Northern Gateway Regional Division No. 10	
Northern Lights School Division No. 69	
Northland School Division No. 61	
Northwest Francophone Education Region No. 1	
Palliser Regional Division No. 26	
Parkland School Division No. 70	

Entities included in the Consolidated Government Reporting Entity (continued)

Ministry, Department, Fund or Agency	*Ministry Annual Report* ▲
School Boards and Charter Schools (continued)	Education
Peace River School Division No. 10	
Peace Wapiti School Division No. 76	
Pembina Hills Regional Division No. 7	
Prairie Land Regional Division No. 25	
Prairie Rose School Division No. 8	
Red Deer Catholic Regional Division No. 39	
Red Deer School District No. 104	
Rocky View School Division No. 41	
St. Albert Protestant Separate School District No. 6	
St. Paul Education Regional Division No. 1	
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	
Sturgeon School Division No. 24	
Suzuki Charter School Society	
Westmount Charter School Society	
Westwind School Division No. 74	
Wetaskiwin Regional Division No. 11	
Wild Rose School Division No. 66	
Wolf Creek School Division No. 72	
Supplementary Retirement Plan Reserve Fund	Finance and Enterprise
Technical Institutes and The Banff Centre	Advanced Education and Technology
Northern Alberta Institute of Technology	
Southern Alberta Institute of Technology	
The Banff Centre	
Universities	Advanced Education and Technology
Athabasca University	
The University of Alberta	
The University of Calgary	
The University of Lethbridge	
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Culture & Community Spirit

Entities not included in the Consolidated Government Reporting Entity

Fund or Agency	*Ministry Annual Report*
Alberta Foundation for Health Research	Advanced Education and Technology
Alberta Heritage Foundation for Medical Research	Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research	Advanced Education and Technology
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance and Enterprise
Long-Term Disability Income Continuance Plan – Bargaining Unit	Treasury Board
Long-Term Disability Income Continuance Plan – Management, Opted Out and Excluded	Treasury Board
Management Employees Pension Plan	Finance and Enterprise
Provincial Judges and Masters in Chambers (Registered) Pension Plan	Finance and Enterprise
Public Service Management (Closed Membership) Pension Plan	Finance and Enterprise
Public Service Pension Plan	Finance and Enterprise
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance and Enterprise
Supplementary Retirement Plan for Public Service Managers	Finance and Enterprise
Workers' Compensation Board	Employment and Immigration

Contact Information

Contact Information

Ministry

Publicly Funded Post-Secondary Institutions

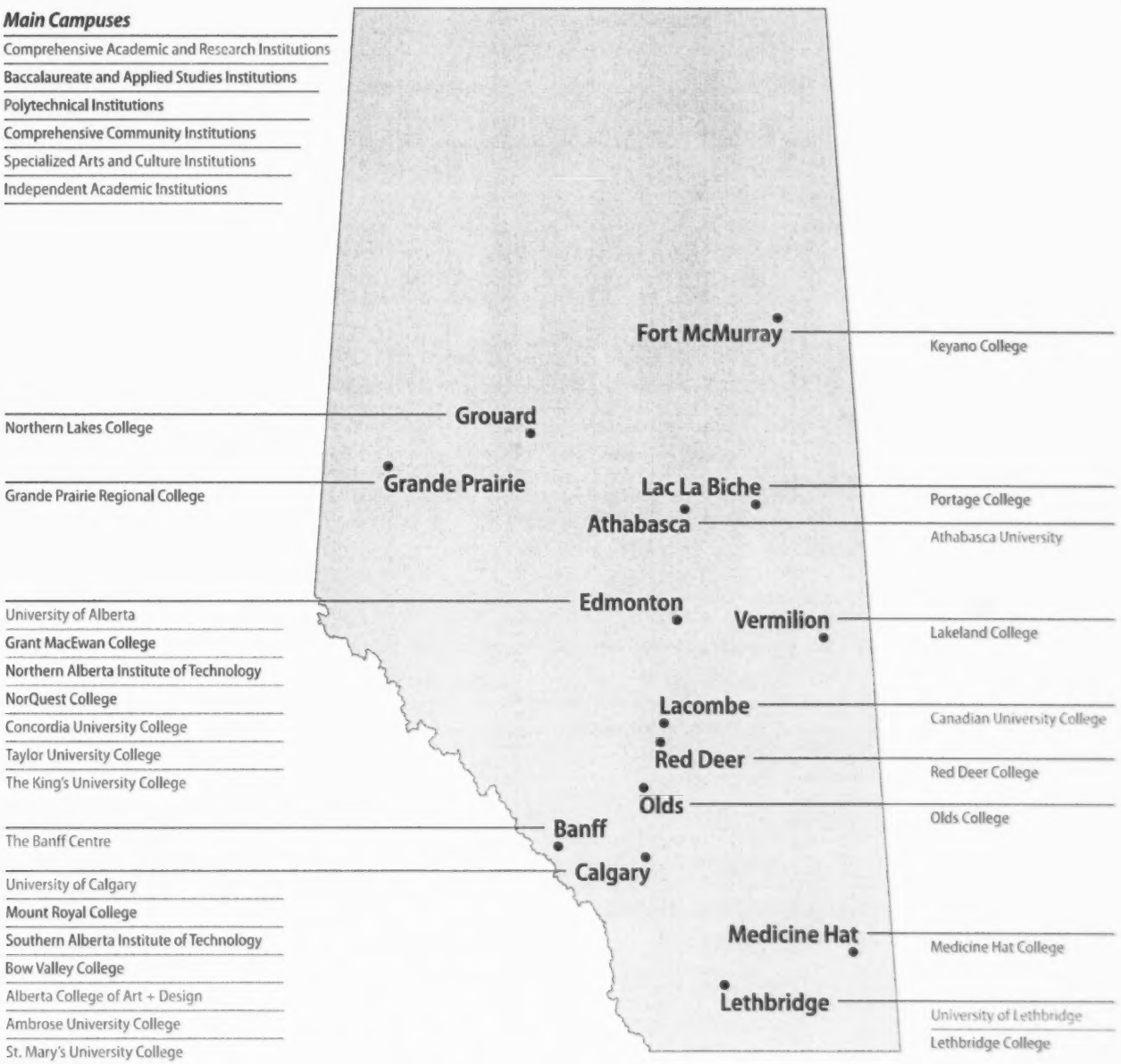
Ministry

Organization	*Website / Phone*
Advanced Education and Technology	aet.alberta.ca
Minister's Office	780-427-2025
Deputy Minister's Office	780-415-4744
Post-Secondary Excellence	780-427-5607
Community, Learner and Industry Connections	780-422-1185
Research	780-427-1488
Technology Commercialization	780-415-8369
Innovation Initiatives	780-427-2649
Corporate Services	780-427-2648
Communications	780-422-5400
Human Resources	780-427-2210
Entities	
Alberta Enterprise Corporation	aet.alberta.ca/technology/support/aec.aspx 780-427-5229
Access to the Future Fund	aet.alberta.ca/post-secondary/funding/supportsinstitutions/aff.aspx 780-644-3183
Alberta Research Council	www.arc.ab.ca 780-450-5111
iCORE	www.icore.ca 403-210-5335
Other Entities	
Alberta Heritage Foundation for Medical Research	www.ahfmr.ab.ca 780-423-5727
Alberta Heritage Foundation for Science and Engineering Research	www.albertaingenuity.ca 780-423-5735
Advisory Boards, Councils and Authorities	
Alberta Apprenticeship and Industry Training Board	www.tradesecrets.gov.ab.ca 780-427-8765
Alberta Council on Admissions and Transfer	www.acat.gov.ab.ca 780-422-9021
Campus Alberta Quality Council	www.caqc.gov.ab.ca 780-427-8921
Students Finance Board	alis.alberta.ca/ec/fo/studentsfinance/students-finance.html 780-415-4597
Alberta Science and Research Authority	www.asra.gov.ab.ca 780-427-1488

Publicly Funded Post-Secondary Institutions

Institution	*Website*	*Phone*
Comprehensive Academic and Research Institutions		
University of Alberta	www.ualberta.ca	780-492-3111
University of Calgary	www.ucalgary.ca	403-220-5110
University of Lethbridge	www.uleth.ca	403-320-5700
Athabasca University	www.athabascau.ca	780-675-6100
Baccalaureate and Applied Studies Institutions		
Grant MacEwan College	www.macewan.ca	780-497-5040
Mount Royal College	www.mtroyal.ca	403-440-6111
Polytechnical Institutions		
Northern Alberta Institute of Technology	www.nait.ca	780-471-7400
Southern Alberta Institute of Technology	www.sait.ca	403-284-7248
Comprehensive Community Institutions		
Bow Valley College	www.bowvalleycollege.ca	403-410-1400
Grande Prairie Regional College	www.gprc.ab.ca	780-539-2944
Keyano College	www.keyano.ca	780-791-4800
Lakeland College	www.lakelandcollege.ca	780-853-8672
Lethbridge College	www.lethbridgecollege.ab.ca	403-320-3200
Medicine Hat College	www.mhc.ab.ca	403-529-3811
NorQuest College	www.norquest.ab.ca	780-644-6000
Northern Lakes College	www.northernlakescollege.ca	780-751-3200
Olds College	www.oldscollege.ca	430-556-8281
Portage College	www.portagecollege.ca	780-623-5551
Red Deer College	www.rdc.ab.ca	403-342-3300
Specialized Arts and Culture Institutions		
Alberta College of Art + Design	www.acad.ab.ca	403-284-7600
The Banff Centre	www.banffcentre.ca	403-762-6100
Independent Academic Institutions		
Ambrose University College	www.ambrose.edu	403-410-2000
Canadian University College	www.cauc.ca	403-782-3381
Concordia University College	www.concordia.ab.ca	780-479-8481
St. Mary's University College	www.stmu.ab.ca	403-531-9130
Taylor University College	www.taylor-edu.ca	780-431-5200
The King's University College	www.kingsu.org	780-465-3534

Publicly Funded Post-Secondary Institutions



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